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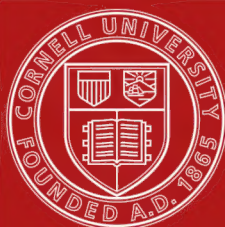
A. A. Young



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IN THE  
District Court of the United States  
FOR THE DISTRICT OF MINNESOTA.

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|                                 |   |           |
|---------------------------------|---|-----------|
| THE UNITED STATES OF AMERICA,   | } | In Equity |
| <i>Petitioner,</i>              |   |           |
| <i>vs.</i>                      |   |           |
| INTERNATIONAL HARVESTER COMPANY |   |           |
| and others,                     |   |           |
| <i>Defendants.</i>              |   |           |

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**APPENDIX TO DEFENDANTS' BRIEF.**  
**EVIDENCE AS TO CERTAIN POINTS ABSTRACTED AND**  
**TOPICALLY ARRANGED.**

---

JOHN P. WILSON,  
WM. D. McHUGH,  
EDGAR A. BANCROFT,  
*Solicitors for Defendants.*

PHILIP S. POST,  
VICTOR A. REMY,  
*Of Counsel.*



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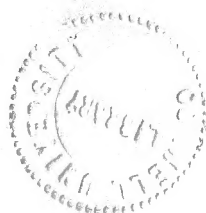
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**APPENDIX TO DEFENDANTS' BRIEF.**

As the Evidence upon various questions discussed in Defendants' Brief and Argument is scattered throughout the voluminous record, it is arranged topically and Abstracted in this Appendix for the convenience of the Court.

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1913  
THE GUNTHERP-WARREN PRINTING COMPANY  
CHICAGO  
E.V.





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## I.

### ORGANIZATION, OBJECTS AND RESULTS OF THE INTERNATIONAL HARVESTER COMPANY.

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*ditions of harvesting machine trade in 1902 with respect  
opportunities in foreign field and larger capital required.*

I

CHARLES H. HANFAY:

I reside at Chicago. Have been in charge of the foreign business of the I. H. Co. since the fall of 1903. Have been in the harvester business for thirty years.

*erience of Witness.*

Prior to the organization of the I. H. Co., I did pioneering work for the Deering Company. In 1894 I was in the western country introducing Deering machinery in Colorado, Wyoming, Montana, New Mexico and Arizona. There was then a little business at some of the principal points. We were beginning to develop the business. I went into the interior, off the railroad, as the new country opened up and the Indian Reservations were made public, and the land brought into cultivation. I spent four or five years in that work.

We were starting out to do business and seeking agents to buy our machines for resale. In that connection it is always important to form an opinion as to probable future value of these districts, to determine what money we should spend there and what organization we should put in there.

I went abroad for the Deering Company in 1892. Prior to that the Deering Company had no established business there. Perhaps an occasional machine went there but there was no regular European business. I went to see what the chances were for the Deering Company finding an outlet for goods. My first, and several succeeding trips were spent largely in investigating the possibilities of a development of the harvesting machine business in the various countries of Europe. In succeeding years I made personal investigations in Africa, South Africa, South America, Australia, New Zealand, Russia and practically all grain growing countries of the world.

I returned to reside in America in the spring of 1902.

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The work I did for the Deering Company was very similar to the pioneering work I did throughout the tillable portion of the world. When I was appointed head of the foreign business of the I. H. Co., I did not take up my residence abroad.

*The Jobbing Method in Europe Prior to 1902.*

In doing the harvester business in Europe in 1902 and prior thereto, our efforts were directed to finding responsible concerns, with as much capital as possible, which were in our opinion equipped to handle the business to the best advantage. We designated these merchants as jobbers. They would buy the machines on certain terms of payment at certain prices. It might be for cash, or credit on parts of the shipment, limited, usually; frequently it was cash against the shipping documents. These concerns ordered such machines as in their judgment they could sell. We delivered the machines aboard the steamer in New York and our responsibility for them ceased. That is largely, though not entirely the way Deering foreign business was done up to 1902; I was a salaried man over there looking after the business generally.

*Inefficiency of the Jobbing Method.*

136 The inefficiency of that method of marketing harvesting machines in Europe through jobbers, was that the jobber's capital was frequently limited. That necessitated his placing orders for machines he was reasonably sure he could resell. Of course, in those days he had to pay for machines, whether he sold them or not. If he did not sell them, he must have his capital invested until the succeeding harvest.

The machines these jobbers sold were marketed largely as they would merchandise, hardware and flour. They did not have a staff of trained, experienced men, and would not incur the expense of taking these machines out in the country and giving demonstrations of work they would do. When they sold the machines, they did not have sufficient experts who understood the machines mechanically, to set them up and take care of them. They had some men but not sufficient for the business, as we in America had been trained to look after machines. Frequently, they would sell a machine, put it up and start it

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for a farmer; the farmer paid for it; their interest ceased,—they had made their profit. Then if the farmer had some difficulty they were not willing to send a man out to put the machine in order. They did not have the organization to teach the farmer how to use the machines. Modern machines like the binder were just coming into use, and the farming public, country blacksmiths, and such people, did not have the knowledge of the machines that existed in America at that time.

*reign Jobbers' Lack of Capital.*

Another handicap to the expansion of the business, was the fact that with limited capital, the importer preferred to sell a limited quantity of machines and make a large margin of profit rather than to expand his business and sell an increasing quantity of machines, which meant an increasing expense, and which naturally he must do at  
7 a less margin of profit. The dealer's lack of capital in most cases required that he give short credits to the farmer. The farmers who first took up harvesting machinery were landed proprietors, the estate owners, who had means. They had their own blacksmith shops and mechanics who built wagons during the winter and thus learned to handle machines. The estate owner did not have much trouble, and was able to pay cash or buy on short time. When it came to increasing the volume of business, this meant credit. These jobbers, as a rule, did not have capital to carry credits necessary to deal with the small farmer.

*necessity for Branch Houses and Experienced Men.*

As we saw it, in order adequately and efficiently to develop the foreign trade, it was necessary to start operations in foreign countries along practically the lines developed in America: To establish branch houses, with a traveling organization and with experienced men of sufficient number to set up and start machines; to have a stock of machines on hand to deliver in the harvest season, without the necessity of the farmer placing his order months ahead; and more important still, to serve the farmer by having a large stock of duplicate parts, repair parts, so that if a piece broke or wore out, he might immediately replace it. It might be a small piece of very few cents in value, but without it frequently the ma-

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chine would not work, and if he could not get it promptly, he could not harvest his crop. In addition, the necessity of credit increased as the sales extended from the large proprietors to the small farmers.

- 138 There was need of a force of experienced men with sufficient knowledge of the construction and operation of the machines to set up and start them, and instruct the farmer in their use; and if a machine got out of order, to fix it.

It was also necessary, from the beginning, to make changes in our machines to suit local conditions. That became more and more important as we extended the business and were selling to the peasant farmer. In some countries, the European farmer was educated, and could be reached through literature, in others, not. In Russia, Siberia, Roumania and other countries, a very small part of the population can read any language, and education had to be by demonstration.

*What the Foreign Field Promised.*

The economic conditions in Europe and Siberia in 1902, which promised well for the development of the harvesting business abroad, were the great fields of grain then being cut by hand almost entirely, or with crude machines; while the peasants, the laborers, were emigrating to America and leaving a deficiency of labor in some countries. In others, the development of manufacture was taking labor from the country, making it necessary for the farmer to supply that deficiency by machinery.

- 139 In addition, year by year wages were increasing, and from the economic standpoint, the farmer could buy machines to harvest crops because he could do it more quickly, satisfactorily and cheaper.

Siberia commenced taking harvesting machinery about 1900 in small quantities. The field was very great—a great expanse of country, larger than the United States, almost entirely undeveloped, inhabited by nomadic tribes which drove their stock back and forth over the prairies to feed. About that time the Russian Government built the Trans-Siberian Railway and commenced assisting the peasants in European Russia to emigrate to Siberia. The peasant was placed on the land and had to cultivate it himself, with the assistance of his family. There was no labor he could call upon to help him. His only assistance,



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then, must be machinery, just as it was in the western part of the United States and Canada.

As to climatic conditions in Siberia and their effect upon the demand for harvesting machinery; the larger portion of the grain-growing sections, as at present cultivated, lies far to the north. Winters are very long and severe and summers very short. They must sow and harvest it within a very limited period,—probably ninety to one hundred days between seeding and harvesting, sometimes a little longer. The need for doing the work quickly is absolutely imperative.

*cost of Doing Foreign Business Exceeds Domestic.*

The cost of doing a harvester business abroad is 0 greater than in the United States. Large sums of money are required in the foreign business in excess of the amount required to do a like business in the United States, because our factories are located so far from the field of operation that it necessitates buying material much in advance of the time we would have to buy it for domestic manufacture. We must invest money in labor to build these machines; we must ship them months in advance; pay freight to steamship ports; pay the ocean freight; pay custom duties; landing, warehouse and distribution charges. We must start to distribute long in advance of harvest, frequently on account of lack of proper and quick means of distribution. That expenditure in the foreign business requires large investments of money.

*stacles to Be Overcome Abroad.*

The acquaintance of the American farmer with machinery and the ignorance of the European farmer affects the question of the relative cost of the foreign business by the extent of the organization necessary to put the foreign machines in the field. In Europe, in fact in most of the foreign trade, we have to set up practically every machine; in some countries, every machine. We must send a man out with each binder to start it. The farmer had no previous experience or knowledge of it, and we must teach him to use it, and, if anything goes wrong, send a man to fix it. That increased in the change from selling 1 to large land-owners to sales to the peasant farmer,—the uneducated man, not accustomed to the use of machinery of any description.

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We had to build the machines to suit the conditions in different countries. We had to make changes to suit customers as well as meet conditions of soil and crops; the kind of animals and harness used. One section was no criterion for another and had to be treated by itself.

Farming in France and Germany is on much higher scale than in newer countries. Land is expensive. They spend large amounts for fertilization and they must produce a crop to pay that cost. The crop must be cut as close as a mowing machine. In some countries the straw has practically as great a value as the grain. Every inch of the straw must be saved, and the farmer would not permit us to cut the crop the height usually cut in America. This required considerable change in the machine; a new cutter bar, for instance.

142 The various means of propulsion used are horses, mules, oxen, buffalo, camels and in some cases reindeer on a mower. Sometimes cows are used and Germany requires a special machine for them. The cow in the older settled countries is considered a very valuable animal. Dairying is a very important industry in South Germany and Switzerland. On these farms they frequently have but one horse, sometimes none. The mowers, as built for horses, are too heavy. It was necessary for us to build a smaller, intermediate weight and draft machine for cows.

In many countries of Europe oxen and buffalo are used very largely. The buffalo are hitched up and driven practically the same as oxen; in most cases the driver walking on the left side. Our left hand machine would necessitate his walking in the grain. That forced us to build a right hand machine because we could not make the country change its custom of generations.

*Lack of Commercial Treaties a Handicap.*

The lack of commercial treaties has been a handicap to the foreign trade. In France, for instance, prior to the present treaty, American harvesting machinery paid duty at the rate of 15 francs per 100 kilo. German or English machinery, or that from any country having a treaty with France, paid 9 francs. In 1907 the difference of minimum duty paid on the imports from countries having a commercial treaty with France and on machines from

143 America was approximately \$9.00 on a binder, \$5.00 on a

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reaper, \$4.00 on a mower and \$2.50 on a hay rake. It amounted approximately to \$240,000 on our shipments in 1907. That does not include the excess duty paid on repairs, twine and various miscellaneous implements shipped to France. That duty existed until the present Payne-Aldrich bill. That law assesses a 25 per cent. penalty on the imports of any country that does not give American goods her minimum tariff. As a result, France gave the United States her minimum tariff, but advanced it from 9 francs per 100 kilo to 12 francs per 100 kilo. The larger per cent. of harvesting machinery comes from the United States and we felt it more than anybody else.

*Investments Abroad in Repairs.*

i) Defts'. Ex. 77 shows the sales and inventory of the foreign repairs for 1912. The column "Sales" represents the proceeds from the sale of extra parts for that season. "Inventory" represents stock carried on hand into the succeeding season at list price, but does not include the amount invested in freight and duties:

i-148 Sales and Inventory of Foreign Repairs at List Season 1912.

|                | Sales          | Inventory       | Total           |
|----------------|----------------|-----------------|-----------------|
| Central Europe | \$ 894,047.51  | \$ 1,886,306.00 | \$ 2,780,353.51 |
| Eastern Europe | 972,721.36     | 3,422,660.66    | 4,395,382.02    |
| Western Europe | 688,126.03     | 892,749.93      | 1,580,875.96    |
| Great Britain  | 121,599.32     | 285,148.01      | 406,747.33      |
| New Zealand    | 34,215.20      | 164,058.05      | 198,273.25      |
| Australia      | 182,164.00     | 486,423.83      | 668,587.83      |
| South America  | 1,346,893.40   | 3,464.63        | 1,350,358.03    |
| South Africa   | 95,689.34      | 93.00           | 95,782.34       |
| Mexico         | 11,722.00      | —               | 11,722.00       |
| Miscellaneous  | 315.61         | 277.91          | 593.52          |
| Canada         | 1,126,951.67   | 2,927,659.19    | 4,054,610.86    |
| Total Foreign  | \$5,474,445.44 | \$10,068,841.21 | \$15,543,286.65 |

*Comparison of Selling Investment, U. S. and Foreign.*

Defts'. Ex. 78 shows volume of sales and selling investment of I. H. Co. in the U. S. and in the foreign business 1907 to 1912. "Selling Investment" includes accounts outstanding, bills receivable—notes due us from customers or agents or from any source,—the inventories of machines and twine (including freight and duty), and all unsold stock on hand; also office and warehouse equipment. It includes nothing but manufactured

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machines and repair parts, only what has been turned  
 149 over to the sales organization. It does not include machines in process of manufacture.

## United States.

| Year | Gross Sales     | Selling Investment | Percent. of selling Investment to Gross Sales |
|------|-----------------|--------------------|-----------------------------------------------|
| 1907 | \$46,402,585.05 | \$30,298,933.42    | 65.3                                          |
| 1908 | 41,823,997.98   | 29,298,344.10      | 70.1                                          |
| 1909 | 50,097,165.69   | 30,410,535.39      | 60.7                                          |
| 1910 | 56,502,982.96   | 36,069,131.86      | 63.8                                          |
| 1911 | 56,867,909.24   | 40,133,179.68      | 70.6                                          |
| 1912 | 64,007,748.88   | 41,557,146.89      | 64.9                                          |

## Foreign.

| Year | Gross Sales     | Selling Investment | Percent. of selling Investment to Gross Sales |
|------|-----------------|--------------------|-----------------------------------------------|
| 1907 | \$24,478,544.17 | \$25,362,534.93    | 103.6                                         |
| 1908 | 24,804,793.38   | 26,188,827.00      | 105.6                                         |
| 1909 | 28,134,375.66   | 29,589,866.59      | 105.2                                         |
| 1910 | 34,196,055.60   | 36,657,153.03      | 107.2                                         |
| 1911 | 42,314,678.67   | 52,832,524.27      | 124.9                                         |
| 1912 | 50,896,963.24   | 66,965,725.33      | 131.6                                         |

Note: Working Fund Cash is not included in the amount quoted above for Selling Investment.

*Investment in Foreign Shipments in 1912 for Season 1913.*

Defts'. Ex. 79 shows the value of shipments to  
 150 foreign countries, exclusive of Canada, from July 1, 1912, to December 31, 1912, for account of season 1913, invoice prices of machines manufactured in this country and shipped abroad to be ready for the 1913 crop season.

|           |               |
|-----------|---------------|
| July      | \$ 522,358.00 |
| August    | 1,715,357.00  |
| September | 1,705,580.00  |
| October   | 4,219,651.00  |
| November  | 1,421,383.00  |
| December  | 1,584,753.00  |

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\$11,169,082.00

(Objection for lack of materiality considered as made to all exhibits introduced by this witness.)

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*Jobbing Methods Compared with 1912 Sales Organization.*

Mr. Haney. Referring to the added amount needed to transact business through a direct sales organization as compared with the old but ineffectual method of selling through jobbers. Defendants' Exhibit 80 shows the comparative selling expense between branch house and jobbing methods, compiled from the records of the I. H. Co.

The Deering business abroad in 1902 was done entirely through jobbers, excepting my controlling and overseeing office. The expense thereof was included in the 1902 cost so that even in that figure there is a little more than the cost of the pure jobbing business. The Deering Company did purely a jobbing business in South America in 1902, and it had no supervising office at all. The I. H. Co. in South America sells through jobbers. We have a supervising office in Buenos Aires, and we supply a very large number of experts at a cost divided between the importer and ourselves. We carry a very considerable portion of it, and that is included in the statement.

Defts'. Ex. 80 shows comparative selling expense between branch and jobbing methods—seasons 1902 and 1912.

|                                     | Sales          | Total<br>Selling<br>Expense | Percent.<br>of Selling<br>Expense<br>to Sales |
|-------------------------------------|----------------|-----------------------------|-----------------------------------------------|
| Europe :                            |                |                             |                                               |
| Deering 1902 Jobbers                | \$1,261,789.35 | \$ 139,497.04               | 11.05%                                        |
| International 1912 Branch<br>Houses | 23,133,307.56  | 6,638,679.57                | 28.7                                          |
| South America :                     |                |                             |                                               |
| Deering 1902 Jobbers                | 395,976.72     | 24,043.45                   | 6.07                                          |
| International 1912<br>Jobbers       | 4,935,365.37   | 329,984.76                  | 6.69                                          |

*Extra Hazards in Foreign Business.*

As to the extra hazard in doing business abroad; in a country where we are foreigners, there is the extra hazard of very great credits extended in a foreign country to the uneducated peasant, who may live hundreds of miles off the railroad. There is the extra hazard of possible interruption or total extinguishment of our business through the abrogation of commercial relations or through foreign wars.

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153 We also have a very great fire risk. In many places where we carry stocks of very great value, we have absolutely no fire protection—no water protection, and frame buildings, and we cannot get insurance.

There is the hazard of foreigners trying to collect their outstanding indebtedness, in the event of the interruption of friendly relations.

*Comparison of Cash Collections,—Domestic and Foreign.*

Defts'. Ex. 81 shows the percentage of cash collected to sales in the U. S. and in foreign countries from 1905 to 1912. (Detailed figures back of 1905 not available.)

|      | United States | Foreign | Total |
|------|---------------|---------|-------|
| 1905 | 74.4%         | 42.7%   | 64.2% |
| 1906 | 70.3          | 44.2    | 61.8  |
| 1907 | 67.3          | 37.9    | 57.1  |
| 1908 | 69.4          | 39.2    | 58.2  |
| 1909 | 68.9          | 40.4    | 58.6  |
| 1910 | 66.4          | 38.2    | 55.8  |
| 1911 | 66.8          | 34.4    | 53.0  |
| 1912 | 68.8          | 35.2    | 53.9  |

*Competition of Foreign Manufacturers.*

154 In 1902 there were foreign companies engaged in manufacturing and selling machinery. Prior to the Paris Exposition our work had been largely pioneer work, and we had commenced to get some results. The exhibit of machinery at Paris evidently gave a great incentive to European manufacturers to go into the business. They could foresee that machinery must take the place of labor. A great many concerns started to manufacture copies of our machines; in some instances even taking our trade names; in others, a name very like it. In some instances they took several machines and combined them into one machine. The machines they offered were almost entirely copies of foreign machines, largely American; they did not have the cost incidental to development and the experimental field work of getting ready to manufacture. They copied our machines and were ready to start immediately into the business.

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*rowth of Foreign Sales Force.*

- 5 Defts.' Ex. 82 shows the number of Sales Department employes of the I. H. Co. in foreign countries from 1903 to 1913.

Year.

|                |       |
|----------------|-------|
| 1903. . . . .  | 654   |
| 1904. . . . .  | 854   |
| 1905 . . . . . | 1,114 |
| 1906. . . . .  | 1,399 |
| 1907. . . . .  | 1,412 |
| 1908. . . . .  | 1,407 |
| 1909. . . . .  | 1,613 |
| 1910. . . . .  | 1,877 |
| 1911. . . . .  | 2,444 |
| 1912. . . . .  | 2,876 |

(No figures available for the Vendor Companies for 1900, 1901 and 1902.)

- 56 Defts'. Ex. 83 is a summary of foreign sales of I. H. Co., 1902 to 1912, showing increase by years. (For similar figures see Defts'. Ex. 198.)
- 57 Defts'. Ex. 84 is a diagram of the previous exhibit.

39 WILLIAM V. COUCHMAN:

- 30 I reside at Brussels, Belgium, and am European Inspector of Sales of the I. H. Co.; was with the McCormick Co. from 1882 to 1902, general agent at Marshalltown, Iowa, from 1886 to 1898. In 1899 I went to Europe as representative of the McCormick Co.

*he Opportunity in Europe; Inadequacy of Old Methods.*

- The harvesting machine business there was being conducted by all American manufacturers, mostly through jobbers. In England the trade had been very well developed; in France partially so; in Germany a little more. In the other fields in Europe there had been some trade for a number of years, but I considered it practically virgin soil for the increase of business. One company had
- 31 its own office or organization in England, France and Germany; another an office in England, one in France, and one in Russia. No company, American or foreign, had developed the work to any considerable extent along the lines in use by the McCormick and other companies in America.

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I went to Europe to study conditions and prospects and determine what should be done to increase the trade of the McCormick Co. The conditions in many countries were similar to the early conditions in America in the western trade. I favored adopting the American system of branch houses and our own organization as against the continuation of the jobber business. The jobber wished quick returns and was unwilling to incur the expenses necessary to introduce the machines into new territory, depending largely upon the demand that came to him. The machines were new and the people required instructions in their use. All that entailed an expense which did not bring re-  
 192 turns to the jobber. I found cases where machines sold by jobbers were not used in the harvest because the owners said they did not operate properly. We put in one year in Hungary, sending experts to the different estates; the machines were right; it was simply ignorance on the part of the users. This will explain why we considered jobbing representation inadequate.

In some countries we found our machines not particularly suited to local conditions. It was rather difficult to obtain information as to just what was required. The jobbing representative did not as a rule have a man versed in the technical end of the business.

*Necessity of Large Repair Stocks Abroad.*

The first step I took was in connection with a repair stock. I found a great complaint as to the scarcity of repair parts. In 1899 we arranged to carry a repair stock at Hamburg, a free port where we could carry the goods without paying duty and ship from there as the orders  
 193 were made. Engineers came over to study conditions. I next asked for authority to open up branch houses and for men competent to manage them from America.

The Paris Exposition was in 1900. The McCormick Company exhibited; Mr. Stanley McCormick was in charge and Messrs. Cyrus and Harold McCormick were there. The gentlemen in visiting the Exposition, made closer investigation of conditions, and appreciated better my arguments, and during the summer of 1900 I had numerous conferences with the McCormicks over the expansion of European business. I wanted authority to open branch houses. They were anxious to have me do what I could



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to increase the trade, but asked numerous questions as to how much capital it would involve.

*European Manufacturers Becoming Active.*

The situation with respect to European manufacturers of harvesting machines was becoming much more active. The Paris Exposition called the attention of many local concerns to the possibilities of this business. As I remember, every concern in the business in Europe was making some copy of an American machine. There were no patents of any particular importance and nothing to  
 194 prevent their copying any machine. One machine was called the "Cormick." That enabled the local manufacturers to get without cost, all the advantages of the experimental development work of the American manufacturer.

The McCormick Company had had some foreign trade for many years. Mr. McCormick, Sr., introduced machines at the Crystal Palace show in London, sometime in the fifties or sixties.

*Need of an American Organization Throughout Europe.*

My whole argument in 1900 was for an American organization to extend over all Europe. We had a house at Odessa before the end of 1900. I had obtained consent to establish houses in London, Berlin, Budapest, Hungary and Zurich, Switzerland, and a second one in Riga. Siberian trade commenced to open up at that time; the railroad had been finished; Odessa not being really on direct  
 195 line of communication with Siberia, I felt the absolute necessity of a branch on a Baltic port from which North Russia and Siberia could be served. We decided upon Riga. To illustrate the size of territory: Omsk as center of Siberian trade was about two thousand miles from Riga, and it took five or six days to make the trip at that time.

*Increased Capital Requirements.*

The houses were established between 1900 and 1902, and involved a competent American organization to manage them, a very generous stock of repairs, a sufficient force of experts and demonstrators. In some countries the local factories were developing and local agents could get machines from these local factories without giving the orders in advance, before the crops were assured. We were confronted with the necessity of carrying large stocks of

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196 machines at our own expense for the purpose of supplying the trade. While I feel that I appreciated the amount of capital that would be called for, we found by experience it was more than we anticipated.

*Advantages Enjoyed by Local Manufacturers.*

The local manufacturer had the advantage in tariff and freight in France, Germany and Russia; we were compelled to pay ocean freight from America; to more properly box our machines for export; to pay import duty into the country where his factory was located. He was close to trade. We were compelled to invest money in raw materials long in advance of the local manufacturer. He could fit his manufacturing program to the conditions of the trade as it developed, while we, with our base of supplies thousands of miles away, were not able to take advantage of those conditions. Saving of ocean freight, import duty and packing for export was itself a great advantage.

*More Capital Needed by Change from Jobbing Method.*

197 With respect to the question of capital the change from jobbing to branch houses was very material. The jobbing trade was accustomed to buy goods f. o. b. New York. The moment we opened branch houses we were compelled to pay ocean freight and import duties, and carry machines in store until called for, and frequently prepay freight to destination where machine was used,—actual cash investments in addition to manufactured cost, and the costs of organization and carrying on the business. This simply brought the goods to the dealer. In selling them we had to give extended credits differing in different countries. This, in itself, made necessary a vast increase in capital. The new countries are the ones where we have to carry the purchaser most. Where you conduct a campaign of education, one of the prime necessities is to give time to the users of the machines. In some countries, where we were compelled to do a great deal of educational work, the volume of trade was small for some little time. In Hungary it was some time before I could show results; it was simply all expense and no profit.

*Distinctive Features of Harvester Trade.*

198 The harvesting machine business differs fundamentally

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from merchandising in the matter of additional capital required as the business develops. You have a yearly market; harvesting machines are used only during the harvest season—once a year. The minute you succeed in establishing a good business, you must be prepared to take advantage of that field. The very fact that your business is large this year and increasing, compels you to have a sufficient capital to continue and extend. If you stop, you have simply plowed for someone else to reap. The more you succeed the more it wraps up capital. We had found that so in 1902, and that has been the experience of the I. H. Co., ever since, most emphatically.

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*Cross-Examination.*

At request of petitioner, witness produced the following statements:

## McCormick Export Shipments (Not Including Canada.)

|      | Binders | Push<br>Machines | Reapers | Mowers | Hay<br>Rakes |
|------|---------|------------------|---------|--------|--------------|
| 1900 | 6004    | 402              | 11286   | 19625  | 3360         |
| 1901 | 6897    | 434              | 13440   | 20950  | 6828         |
| 1902 | 7570    | 535              | 12499   | 23241  | 7396         |

## 00 McCormick Foreign Sales (Including Canada.)

|      | Foreign<br>except<br>Canada | Canada       | Total        | Per cent.<br>Progressive<br>Increase<br>over 1898 |
|------|-----------------------------|--------------|--------------|---------------------------------------------------|
| Year |                             |              |              |                                                   |
| 1898 | 1,563,291.87                | 300,988.49   | 1,864,280.36 |                                                   |
| 1899 | 1,872,432.30                | 474,816.96   | 2,347,249.26 | 25.8%                                             |
| 1900 | 2,319,475.39                | 814,875.42   | 3,134,350.81 | 68.1%                                             |
| 1901 | 2,812,512.81                | 1,409,864.66 | 4,222,377.47 | 126.4%                                            |
| 1902 | 2,844,117.72                | 1,492,440.24 | 4,336,557.96 | 132.6%                                            |

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## 84 J. B. BARTHOLOMEW:

Have been President of the Avery Co. about eight years; reside at Peoria, Illinois. Have been connected with Company since 1879. Its chief products are threshing machines, gas and oil tractors, steam tractors, and small implements such as planters and cultivators. Those products are sold principally through the corn and wheat growing states of the United States, and some in Canada and the Argentine Republic.

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*Large Financial Resources Required in European Trade.*

485 We have no foreign business to speak of in Europe. Have recently surveyed that field as one for export. The chief requirement, judged by my investigation, for entrance into European trade in agricultural implements and successfully carrying on that business, is a strong desire and lots of money to back it up. I should say that it requires very large financial resources and equipment.

*Cross-Examination.*

The same thing is true of conditions in this country. As to whether in this respect the foreign trade does not differ  
486 from domestic trade, it is 4,000 miles away; harder to get at; a little more expensive to operate; different languages to deal with, and different soil conditions and people. They farm differently. As to whether the farms in Continental Europe are not large enough to warrant the sale of our principal lines, namely, traction engines and threshing machinery: I am told that 55 per cent. of the wheat in the world is produced in Europe and it seems that we ought to be able to get a fair share of that business. As to the size of the farms over there, I only know some of them are very small and some very large.

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183 THOMAS FINDLEY:

I reside at Toronto, Canada. Am Vice-President and  
184 Assistant General Manager of the Massey-Harris Company, Limited, which has been engaged in the manufacture and sale of agricultural implements since about 1840.

*Reasons for Branch Houses Rather than Jobbing Methods.*

185 In 1902 our method of marketing our products outside of Canada and the U. S. was very largely through branch houses; in Australia had branch house organization in each of the states except South Australia; had branch house in New Zealand, Great Britain and France. In London we had possibly 30 or 35 men; and of course large numbers of agents besides. We had branch organizations  
186 in France and Germany similar to that in Great Britain.

Q. What were the reasons for your adopting this

method of marketing your product instead of the jobbing method?

A. That is a very large question. We were led to that policy, which was adopted practically at the formation of Company, by our experience. We found it difficult to secure responsible jobbers and those who had worked trade like we ourselves were able to work it, or who could secure anything like the amount of business we were able to secure through our own branch house. Our foreign trade was largely the matter of development, a question of stimulating a desire for farm implements to take the place of hand labor; a case of building organization from bottom. We had tried this system out in the Canadian trade in the fullest possible way before we entered the foreign trade; simply extended home policy; found it worked well and went into country after country.

In 1902 we were still doing only a jobbing trade in Russia. Went to branch house basis about 4 years ago. We did not do that earlier because Russia was a country we felt was difficult from the standpoint of credit, that possibly it would involve a greater outlay of capital than we were prepared to undertake at that time. We were developing our western Canadian trade which was rapidly expanding; did not want to expand unduly quickly. Were jobbing in Russia practically 30 years before we went into branch organization, always having knowledge that we could expand our trade there very greatly if prepared to go to trouble of making a  
187 branch house and extending the credit necessary under that form of organization.

As between jobbing and branch house methods, the difference in amount of capital required is very great. Our increase in total business in last 10 years, speaking from memory, was about 100 per cent. The foreign trade field has expanded more rapidly.

#### *Cross-Examination.*

188 The Massey-Harris Co. has an issued capital stock of \$15,000,000. They do an export business all over the world. We are a consolidation of several companies. The  
189 Massey-Harris Co., the Patterson Bros. Co., and A. Harris Son & Co. The Johnston Harvester plant is separate. Our plants were all located in Canada when we acquired

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them. The Massey-Harris Co. acquired those companies in 1891, 22 years ago.

Have not found it necessary to have a capitalization of \$120,000,000 in order to do a foreign business to the extent that we have done it.

Distinguishing harvesting implements from other lines, I think we are the largest manufacturers of harvesting implements in the world next to the I. H. Co.

*Re-direct Examination.*

Our resources as distinguished from our capital stock are about \$30,000,000 altogether; about \$15,000,000 more than our capital stock.

306 GEORGE H. BARTLETT:

Have been with the I. H. Co. since 1902; mostly in experimental work in foreign countries. I investigated the  
 307 necessity for changes in the various machines to suit the varying needs of the different countries. I have traveled through England, Scotland, Italy, France, Germany, Northern Africa, Russia, Siberia, New Zealand, Australia, Denmark, Norway and Sweden.

*Mechanical Difficulties Met in Foreign Fields.*

Crops in Scotland are often very short; much grass grows with the grain and they want to save that for hay. Our machines would not cut as low as they cut by hand and with their home made reapers. We reconstructed our cutting apparatus to cut low enough to meet that condition. We also had to make attachments for our binders so they would turn out small bundles, so they would dry  
 308 quickly; we had to make a new cutter bar and guards and platform. We had complaints from our agents, and I was sent to Scotland several times to investigate, and the result was that we changed the machines and adapted them to that peculiar condition.

We found it necessary over there on account of narrow roads, lanes and gateways to make transports, by which the machines could be drawn lengthways.

*Difficulties in Holland.*

In Holland they raise grass, very short, and cut it several times in the season. Our ordinary mowers did not

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satisfy because they did not cut close enough. We had to reconstruct them in that respect. If they let the grass lay in the ordinary way the mower left it, the horses  
 309 tramped it into the soft ground; so we had to make new outside dividers and do what we never did in any other country, put an inside divider next to the main shoe so as to bring the hay into a little windrow.

*Difficulties in Denmark.*

In Denmark they have a very fine, short grass, which they cut several times in the season; much of it on bog land. A moss grows with the grass. They always cut it by hand with a very wide scythe, somewhat concave so that the back presses the moss down and the blade cuts the grass above the moss. To sell machines there it was necessary to get same result, and we had to make a new cutting apparatus with guards turned up something like a skate runner and much nearer together, which would press the moss down in front of the knife. The moss is injurious to cattle.

*Difficulties in South Germany and Switzerland.*

South Germany and Switzerland is largely a dairy country and they often work their cows; many farms have no other animals. Our ordinary two-horse mowing machine was too heavy and our American one-horse one not satisfactory. To get that trade required a lighter machine,  
 310 suitable for cows. We made a new machine called a cow mower. Other changes were necessary there as in other countries where they had soft, short grass and cut it two or three times a year; then we acquired a good trade in that section. The European farmer has to be much more careful to cut and garner everything than the American farmer; the land is more valuable and farms small, and everything must count.

*Difficulties in Italy.*

In Italy fields are often irrigated by ditches from five to eight feet apart and oftentimes with intersecting ditches. Our machines were constantly subjected to great strain in bumping through these ditches. Special construction—stronger frames and elevators—was provided for that special condition. There they had the habit of cutting their grain, leaving very long stubble, and we had to

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change our machines, making them stand higher from the ground.

In a measure it is true that you cannot get farmers to  
 311 change their customs. At first we thought our American machines ought to give satisfaction in any other country, but found it better to change to suit the people than to try to educate them to do the way we work here.

*Difficulties in Russia.*

In Russia horses are light and small and the harness extremely crude. They have no way of holding or guiding the machine or sustaining the weight of the pole and the machine, except by tying a rope around the horse's neck and hitching it to the end of the pole. We found it necessary to put a forecarriage under the machine pole for nearly all machines, reapers, and harvesting machines we sell in Russia. Where they use cattle in Russia, we found at once our left-handed machines would not do, because they walk on the near side of the cattle to drive them and that caused the man to walk in the grain. There was a great demand for right-hand machines. In South America and Siberia, where they use cattle, it necessitated reversing the machine, making a right-hand machine,—a very expensive job, for all parts, nearly, in the construction had to be reversed.

*Difficulties in the South of France.*

In the south of France they strap the yoke to the horns of the cattle and put the tongue right on top of it. That brought the pole five feet or so from the ground, and  
 312 threw the ordinary mowing machine or reaper out of adjustment, and necessitated a change.

The work I have described has been going on all the time for ten years and long before. We had found it necessarily incident to the development of trade in all the countries of the world. It is a practical necessity and very expensive.

*Cross-Examination.*

Before 1902 was with the Milwaukee Harvester Company for nine years. For eight of those nine years I managed its European trade with headquarters first in Hamburg and afterwards in London. We were selling Milwaukee machines in France, England, Scotland, Germany,  
 313 Denmark, Sweden, Norway and Russia. The McCormick,



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Deering and Champion Companies had representatives abroad. The Osborne, Champion, Deering, McCormick, Johnston, Walter A. Wood, and Massey-Harris had their people living abroad and expanding the business of their companies prior to 1902. All of these companies were competing with each other in the countries in which I was.

## 289 HERBERT F. PERKINS:

290 I am division manager of the I. H. Co. and have been with it since its organization. Immediately before, I was manager of the purchasing department of the McCormick Co. I entered their employ February 1, 1899. Before that I had charge of purchasing and office work of a malleable iron company in Chicago.

*Supply of Raw Materials as Affecting Foreign Trade.*

I was employed for the purpose of securing the McCormick Co.'s raw materials; there was special consideration given to that subject along in 1900 or 1901,—in connection with the discussion of the expansion of their foreign sales. I had become astonished at the proportionate expense of McCormick Co.'s raw materials as related to the cost of their machinery; and there was going on in the discussion of the McCormick head men, the question of going after foreign trade. Our foreign sales organization had begun to feel that there was an almost indefinite future there if they could get after it; and without urging the management to take steps to get this foreign business, I said to the McCormicks: "This question of raw  
291 materials is so vital in your costs, would it not be well to stop a moment before you go much further in discussing the extent of your expansion in Europe, to consider covering your raw material situation so you can go into expansion on safe ground?"

I cannot state offhand the exact course of raw material prices between 1899 and 1902.

My position was based on the fact that raw material prices fluctuated strongly up and down and made very uncertain the basis of cost, and the tendency seemed toward higher costs because of labor conditions and the gradual eating up of lumber and ore supplies.

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*Safety in Raw Material Supply Required Increased Capital.*

The three great raw materials in the manufacture of harvesting machines are pig iron, finished steel and lumber. Fibre is the raw material of twine—a necessary accompaniment of machines. I made a particular point with the company on their pig iron and steel supplies at that time. I had had ten years previous experience in that line. I was told to make plans for producing our own pig iron and steel. I employed engineers, had plans drawn for steel mill and blast furnaces, and estimates of the necessary capital. Those plans were completed in latter part of 1901. I estimated that to get into it on a basis at all reasonable would take \$5,000,000, not including any working capital, which would take perhaps \$2,000,000 more. This was reported to Cyrus McCormick and his brothers. They were much astonished at amount involved in going into the steel business, and felt they could not possibly undertake it. They were short of capital, I imagine. I reported that it was unsafe to plan to go in a large, strong way into expansion of McCormick Co.'s foreign business without providing safety in raw materials. It was the fact, in my judgment, at that time, that it could not be done without largely increased financial resources.

In the early part of 1902 steps were taken by the McCormicks to obtain this additional capital. The steel mill I had figured out for the McCormick Co. was not a large one, but a unit of sufficient size, I believed, to get reasonably low cost of manufacture. A smaller one, or substantially less expensive, could not have been successfully operated. I figured it would probably be necessary for us to sell a moderate amount of steel to keep cost down to minimum figure.

*Wisconsin Steel Co. formed to Insure Quality and Supply.*

The Wisconsin Steel Co. was organized in the latter part of 1905. It took over the steel property of the I. H. Co. and expanded it. The I. H. Co., through the Wisconsin Steel Co., mines ore and runs blast furnaces, and from pig metal manufactures billets and bars, and refines those bars in shape of cold drawn and cold finished material.

This separate steel organization enables the company to get steel it needs in spite of market stress—to develop, in conjunction with the harvester experimental depart-

ment, special grades and qualities of steel peculiarly adapted for harvester business, which are not attractive to the ordinary merchant steel maker, but which the company calls for in order to produce superior machines; and back of that is the fact that it produces at a comparatively steady cost we can figure on.

The last balance sheet showed about \$18,500,000 in capital employed in the steel operations of the Wisconsin Steel Co. We sell a portion of our product, but otherwise it is for our own uses. It is sold on the market at the best price we can get. Such portions as it is not more economical to deliver to our company we sell in the Chicago market.

*Wisconsin Lumber Co. Formed for a Similar Purpose.*

The same policy has governed the I. H. Co. in lumber. We sell a larger proportion of our saw mills product than of our steel mills. In cutting a log you get a very wide range of qualities of which only upper grade is serviceable for the I. H. Co.; and we have to dispose of other grades in the market. That lumber business is carried  
295 on by the Wisconsin Lumber Co., organized in 1905 and operated for a purpose similar to that of the steel company. Its surplus of unusable product is sold in the open market.

*Cross-Examination.*

I do not recall that I made any formal reports relating to raw materials to the McCormicks at that time. I had a complete drawing of the \$5,000,000 plant made by Garrett-Cromwell of Cleveland, Ohio, engineers, who submitted estimates and plans of a complete steel plant adapted to our uses. Their report was in the spring of 1902, or latter part of 1901. I have not seen it in 10 years; do not know whether it is in files or not. The plan they drew was for blast furnaces and steel mill, not including  
296 anything in regard to cost of ore. They did not estimate cost of real estate; we had none selected.

*Investment Required for Producing Malleable Castings.*

Q. Is this a true statement of conditions in the McCormick Co. as of June, 1902: "The McCormick Co. is now erecting a plant, which will cost from \$600,000 to \$750,000, in which they will manufacture their own malleable iron. This plant is in the immediate vicinity of the

present works." A. I believe it to be. We were building such a plant in 1901 and 1902; it had nothing to do with the steel business. Malleable castings were to be manufactured at this plant. Pig iron is the raw material of malleable castings. They would have to buy, if they did not make, the pig iron. The McCormick Co. bought  
 297 all of its raw material. I know of no single exception of any importance. The malleable iron plant was an intermediate proposition,—not what we would call raw material. The plant I had in mind costing \$7,000,000 was to take ore and smelt it, producing pig iron, and by either the Bessemer or Open Hearth process produce steel bars or shapes, which were to be bent, cut up and manipulated in the harvester plants into the form of our machines. They, with castings and lumber, make the bulk of our machinery. In the blast furnaces we would produce raw material for the malleable plant.

*Deering Co.'s Investments in Ore and Timber Properties.*

I do not know when the Deering Company acquired their properties. They had contracts for some ore properties partially paid for when they went into the I. H. Co.; and  
 298 an interest in this steel plant at South Chicago. I think the Deerings were acquiring timber properties. I did not know that these were valued at \$1,535,000 on the books of the I. H. Co.

I am president of the Wisconsin Steel Company and Wisconsin Lumber Company. I found these timber properties of the Deerings on the books when I came in, in 1910, as president. The Hawkins, Agnew and Illinois mines were among the assets of the Wisconsin Steel Company when I took charge of it. The malleable iron plant was part of the McCormick Company's plant. I think the McCormick Company had property in Mexico or Yucatan which they hoped to develop in hennican or  
 299 sisal plantations. It was never operated. I do not know who owns the property to-day.

I have no figures showing fluctuations of raw material costs respecting which I testified on direct, but what I stated was in regard to the proportion which the raw material cost bore to the finished machine. That was what I was astonished about.

I could not state the cost of the finished binder in 1901 from memory.

*Foreign Expansion Unsafe with Fluctuating Material Market.*

(Being shown Petitioner's Exhibit 70, the appraisal of the McCormick Co. in 1902, with a comparative statement of the costs for 1900, 1901 and 1902, of Harvesters: average cost, \$47.22915; average cost 1901, \$46.49.) Those figures do not support your testimony in respect to the increased cost of machines in the years you have named?

A. I was attempting to state that as manager of their purchasing department, knowing the fluctuations of the markets not in any one or two years but in the general course of experience, I felt it unsafe to go into a long campaign in a foreign land, involving a tremendous expansion over many years, with a fluctuating raw material basis. My remarks had no relation to one or two years.

300 I cannot produce figures showing a greater fluctuation in previous years in the cost of the binder than shown above for the two years 1900 and 1901. I do not keep figures of that class at all. I have definite figures in mind supporting my statement as to fluctuation of costs. I know that steel has varied during my experience in buying for the I. H. Co. from a base price of 80 or 90 cents Pittsburgh up to \$1.60 Pittsburgh. In the operation of our steel plant the cost does not vary 25 cents a hundred pounds—\$5 a ton.

*"Average Cost" Does Not Show Fluctuations in Materials.*

(Being shown Pet. Ex. 70 showing average cost of mowers in 1900 \$16.81, average selling price \$36.54; average cost for 1901, \$16.80, selling price, \$36.76; in 1902 the manufacturing cost, \$16.58, selling price \$36.05.) Can you produce any figures showing fluctuations in raw materials  
301 for those years? A. Those costs include everything. I do not know how they are made. All I or the company can produce is the average price of its certain raw materials during those years. I keep no figures of that kind. I do know, as a buyer, the facts I have just stated, that the articles I named fluctuated in price from one year to another by a variation of almost 50 per cent.

I was not working all the time to get the cost of the McCormick binder below \$47. I had hoped to do that, of course. I did not know whether at that time steel was selling for cost or below cost, but I did know that in the long run steel was selling for a profit, and that we wanted a steady cost for machines.

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As to whether I can produce any figures for years antedating 1900, which would show a great fluctuation in the cost of the machine as compared with figures for the three years read by counsel, I could show the costs readily from any steel trade paper, or any authority in the iron trade papers which would amply justify my statement.

302 Q. The fluctuations of materials were not large enough to make the costs vary much from year to year in 1900, 1901 and 1902, as shown by the cost figures for those years which I have read to you, isn't that true? A. I think you are wrong but I can't prove it because I have not the history of the trade before me. Possibly in one year malleables were bought from outside at 4 or 5 cents a pound, the next year manufactured at the Deering or McCormick Works, at  $2\frac{1}{2}$  cents a pound; and that fluctuation might have entirely offset the fluctuation in the opposite direction in the price of some other raw materials. The fluctuations would not appear in average prices. I understand that these are average prices for separate years.

303 (Being shown Petitioner's Exhibit 69, an appraisal for the Deering Company, showing the average cost of binder for 1900, \$53.15; 1901, \$50.19; 1902, \$48.16.) It is not evident from what counsel produces, that the fluctuations respecting which I testified on direct have caused the costs of the machine to drop rather than to increase.

304 (Being asked to produce reports regarding \$5,000,000 plant, or any reports made to McCormick Co. or received from engineers.) I tried to find those papers some months ago, but have been totally unable to locate them, and I fear they were destroyed with old papers of McCormick Company. I was told to investigate and report on the steel plant. Four or five of our men talked over those matters together, Mr. McCormick, Mr. Mayer, Mr. Swift, Mr. Daniels, myself and Mr. Legge, then chief of the collection department.

305 As to whether I can produce any figures showing that fluctuation in raw materials had any material or important effect in altering the cost of manufacture: I have made a statement of the lumber, pig iron and steel. If you want tables generally accepted showing prices of those commodities over a period of years, they are commonly found in every business house and show these wide fluctuations I have indicated. If steel sold down to 90 cents and up to

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\$1.50 Pittsburgh, that is \$12 a ton, and if there is half a ton in a machine, that means a fluctuation of \$6.

If you will accept figures made up by the comptroller's office, I can show you that the cost of manufacturing of binders and mowers varied largely from year to year, and whether that variation was due to fluctuation in the price of raw material; and that for years other than 1900-1-2 there was wide variation in cost of manufacture, due to fluctuation in price of raw material.

*H. F. Perkins—Recalled.*

*Upward Trend of Raw Material Costs, 1898 to 1902.*

359 In response to the request of Government's counsel, I have produced original papers, contracts and memoranda, supporting my statement as to the fluctuation of material costs in the years 1898 to 1902, and the general trend upward of such costs and prices, but nothing that will adequately represent the information which I possessed in those years, because the bulk of our records seems to be completely destroyed, and all I have been able to find are isolated papers.

*Fluctuations of Pig Iron Prices.*

I have contracts of the company (with which I was associated before I entered the employ of the McCormick Company), where I was purchasing agent, representing  
360 the purchases of pig iron, which I handled from 1895 to 1899. They show the trend of pig iron prices, which was a part of my basis of advice to the owners of the McCormick Company. Briefly stated the fluctuations shown by these papers, are as follows:

|       |         |                        |
|-------|---------|------------------------|
| 1895, | \$12.00 | Chicago per gross ton. |
| 1896, | 10.75   | Chicago       “        |
| 1897, | 9.80    | Chicago       “        |
| 1897, | 10.30   | Chicago       “        |
| 1898, | 11.00   | Chicago       “        |
| 1899, | 15.75   | Chicago       “        |

In our effort to produce papers we wrote to the other parties to our contracts, asking them to furnish their documents. We found that they had destroyed all their papers up to and including 1900, the same as most of ours, but I have a record of pig iron purchases made from Pickands-Brown by me during 1899, 1901 and February, 1902, for the

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McCormick Company. They show 1899, Bay View iron, \$12.75, per gross ton Chicago works, 1901, \$14 at the McCormick works, later in 1901 same price; February 14, 1902, \$17.50 buyer's works; that last pig iron was lower in silico; if the same as preceding purchases in analysis, it would have cost 50 cents a ton more. They are prices we paid, copied from our contracts.

*Fluctuations in Cost of Materials in Specific Machines.*

The next statement was given me in 1900 by the then superintendent of McCormick works, of the material costs for 1899 and 1900, for three kinds of mowers, a reaping attachment, a Daisy reaper, a grain harvester, and a grain transport. They show fluctuations; all the material in a mower, being in 1899 \$9.30 a machine, in 1900, \$12.26; for the reaper for 1899, \$13.12; for 1900, \$16.90; for a harvester \$26.26 in 1899; \$35 for 1900. That is the original memorandum given me sometime in 1900.

*Fluctuations in Pig Iron.*

As to the original documents relating to material costs, I have first a series of purchase memoranda for pig iron, from April 15, 1897, to the early part of 1902. They show in No. 2 foundry,—the usual base on which pig iron is talked about, and the most numerous in purchase items,—a range of from \$9.50 per gross ton up to \$24, and very wide fluctuations between those figures; 1897, \$9.50; 1898, \$11.10; 1899, in February, \$12.75; in November of the same year \$24; in 1900, \$19.50; later in 1900, \$14.35, and again \$14.25; in 1901, \$14 and \$15.50; in 1902, \$16, in January; and in June, \$20.50.

*Fluctuations in Steel Bars.*

I have here steel bar purchases beginning in 1896, and ending in January, 1902, a few contracts, not all by any means. Steel bars are sold on the market on a base price, that is always used as a market indicator. To Jones & Laughlin, taken from their invoice in November, 1896, we were paying \$1.15 per 100 pounds f. o. b. Pittsburgh. Chicago freight varied from 9, 10 or 11 cents up to 18 cents per 100 pounds, but at this time from 9 to 15 cents. There had been no higher freight rates at that time. Contract of May 16, 1898, we bought at 90 cents per 100 pounds f. o. b. Pittsburgh. April 3, 1899, we bought from the Illinois



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Steel Company at \$1.52½ Chicago, which would represent about \$1.37 on the highest Pittsburgh freight rate; May 18, 1899, \$1.40 Chicago from Jones & Laughlin; January 28, 1902, from the Illinois Steel Company, at \$1.65 Chicago.

The corresponding prices of a number of special steels, included in the same contract, show the same trend. Rake teeth, 1898 to 1901, were all bought f. o. b. cars Chicago and show the following prices: 1898, \$2.50 per cwt.; April 5, 1899, \$4; July, 1899, \$4.50; and April 25, 1901, \$3.25.

*Fluctuations in Iron Pipe, Malleables and Special Steels.*

Wrought iron pipe is used principally in the frame of the harvester. These prices are for 1897, 1898 and 1901, and show separate sizes always sold by the hundred feet, delivery in every case at Chicago works: 1-inch round common, 1897, \$2.70 per hundred feet; 1898, \$2.29; 1901, 363 \$3.63; and an important size, 1½ inch square, 3/16 thick, May 7, 1897, \$5.90 per 100 feet; 1898, \$5.40; 1901, \$7.35.

Malleable castings made of pig iron purchased at that time show similar fluctuations.

A group of special steels, bought from Park Bros. and the Cambria Steel Company, and one or two others, show: section steel in 1898, \$4.25 per 100 pounds; \$6.25 in 1899, and \$5.25 on a term contract in 1901. Seat springs show, in 1898, \$1.30 and \$1.35 per 100 pounds; \$2 in 1899; \$2.37½ in 1899, later, and \$1.90 in 1901.

*Cross-Examination.*

These figures do not purport to be complete in the sense 364 of attempting to give average cost throughout any one year of these materials. I have not been able to find any papers or tables made up on the entire output for the seasons antedating 1900, and giving, as Petitioner's Exhibit 70, the average cost of manufacture of the different machines for those years.

I cannot find any documents of the McCormick Company showing that the fluctuations in the raw material costs, had in fact produced fluctuations in cost of manufacture in years previous to 1900.

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## ALEX LEGGE:

- 23 I am general manager of the I. H. Co. and have been in the implement business since 1891; first as traveling collector and salesman and collection manager for the McCormick Co. at a general agency; afterwards a general agent; later manager of their entire collection department in Chicago; still later, assistant manager of sales. From 1904 until 1906 assistant manager of domestic sales and from 1906 until recently, assistant general manager of I. H. Co.

*Large Capital Essential to Carry on Harvester Business.*

- 25 The harvester business is peculiar in respect to the amount of money essential to carry it on in proportion to the turnover. The long credits and the fact that it is a one-season trade, and that delivery of goods in the harvester line in any given territory is confined to a very short period of the year, is the reason for this. The manufacturer must provide stocks throughout all the year in order to meet this short season demand. There is a further peculiarity in the business: The manufacturer's function does not stop when he sells the goods; he assumes not only the work of making and selling the machines but of looking after them after they are sold and while they are in operation, which continues from year to year.
- 26

We are not able to tell before the manufacturing season begins, what the crop to be harvested is going to be. The manufacturers must anticipate the maximum crop and provide for it, without certainty of a demand equal to it. In Illinois the risk is not so great, but we are at present (June 26, 1913) moving goods from Kansas, where we thought certainly they were wanted thirty days ago. The condition has changed so quickly that there is no demand for them; and they are being transferred in considerable quantities farther north.

The tendency to add other lines to the line of harvesting machinery really began before I entered the business. The pioneers in that movement in the implement trade, speaking generally, were the two big plow companies at Moline, the John Deere and Moline Plow Company, who had rounded out a comparatively long line of implements, centered around the plow line.

27 When I became connected with the McCormick Company in 1891 we sold only binders, mowers and reapers. During the next 8 or 9 years we added sulky hay rakes, headers, push binders, corn binders, corn shredders, knife grinders, and in 1900 or 1901 a twine mill. They had been jobbing some twine before, but did not have a regular source of supply.

During 1899 I was called to Chicago to take up the management of the collection department of the McCormick Co. The reason given was that they had so much money invested in bills receivable that they found it very embarrassing; that I had a better showing in that respect than some others, and they hoped I might be able to improve the showing of capital invested in farmers' and dealers' notes, by collecting in.

*Paris Exposition 1900 Showed Foreign Trade Possibilities.*

28 I was at Chicago with the McCormick Company in 1900, the year of the Paris Exposition, and knew of the preparation of the machines for the exhibit, but had no charge of it. Those of the McCormick family who were at the Exposition, came back very enthusiastic about expanding trade abroad. They had there met the grain growers and dealers from all over the world, and felt the time had arrived for a very rapid growth in foreign business. We were instructed to hunt up in our organization all the men who could speak any foreign language, particularly German, and equip them for work in the foreign field. During the following year quite a large number from the domestic organization were sent abroad.

51 Defts.' Ex. 187 names of 13 employes of McCormick Company sent to Europe from the fall of 1900 to the spring of 1902, who have since been managers or assistant  
52 managers of branch houses abroad. Two have retired; the others are still acting for the I. H. Co.

*Lack of Capital for Expanding the McCormick Business.*

28 The McCormick organization comprised heads of departments who were all requested to make suggestions with respect to their own department, its expansion and development, and occasionally called together to discuss suggestions brought up by department managers or the owners themselves. There was almost constant urging I would say

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29 at practically every conference to a further extension of the business, by going into additional lines; some one of us had some plan he wanted to enlarge upon, either in the acquiring of raw material or additional lines. I can not recall any that was adopted during that period; they were all deferred for later consideration. I think I was familiar all the time with the reason. That was not made a matter of general knowledge to the department managers until in the spring of 1902, when one of the McCormicks advised it would be impossible to go ahead with some proposition then being discussed because they were borrowing every dollar they could get anywhere, that they had really passed the danger line in the amount of borrowed money they were using, and under these conditions it was useless to consider further any proposition calling for added capital.

*Plans Considered for Increasing Working Capital.*

At these various meetings of department heads, many plans were considered for adding to the working capital. We had little precedent to go by in the development of the farm machinery trade. Studebakers had put out a small bond issue, and I think Deere or J. I. Case or one of the other manufacturers. Aside from that we were discussing something new and untried in the farm machinery trade. We discussed bond issues and increasing capital stock. I would not attempt to state how many different things were discussed. We covered the field frequently and broadly.

30 There were discussions as to the purchasing of plants of other lines of goods, and of other harvesting machinery plants,—a general discussion as to whether such a purchase would help the situation. There was reference to previous discussions of the purchasing of other harvesting machinery plants—twice, that I can recall: One an offer made some time previous by the elder Mr. Deering, to sell his property, and one referred to as a previous offer of the Milwaukee Harvester plant, at some earlier date. I was not present when those offers were considered. They were referred to as matters of ancient history and not as pending matters. These conferences were not in regularly stated meetings; they were usually occasioned by some department manager bringing up for consideration something in his particular department, and

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others were called into conference. The discussions would usually take a wide range.

*Cross-Examination.*

72 Deere & Co. has increased its capitalization since 1902. At the time it expanded into other lines prior to 1902, it was a company much smaller than it is to-day. Their first expansion in those lines, however, was as jobbers; they bought goods from other manufacturers. Deere & Co. was not any larger in 1902 than the McCormick Company was at that time; perhaps not as large. I did not mean to imply that Deere & Co. has been able to expand into other lines because larger than the McCormick.

I had no part in the borrowings of the McCormicks in 1901 and 1902; only as to dates of payment. Being in charge of collections, the matter was gone over with me at considerable length, as to when they might reasonably expect to meet these borrowings. I had nothing to do with negotiating the funds. The borrowings made in the manufacturing season, with a few exceptions, were paid  
3 off at the end of the season; they had some long time money. I did not mean to imply that because the borrowings had increased from year to year, that the profits were less.

Ever since the I. H. Co. was organized, as its volume of business expanded, the amount of its borrowings has increased from year to year.

## III

30 GEORGE A. RANNEY:

I am secretary of the I. H. Co. I was with the McCormick Company, with title of cashier, and duties of a  
11 treasurer, from 1898 until it sold to the I. H. Co.

*profits and Dividends of McCormick Co.*

I was acquainted with the financial side of the McCormick business between 1898 and 1902. The net profits in 1898 for the fiscal year (ending September 30th of each year) were approximately \$4,500,000; in 1898 \$4,500,000; in 1900 \$3,000,000; in 1901 approximately \$4,500,000; and in 1902 \$5,000,000. Two dividends were paid in 1898, and one in 1902—I assume out of the profits for 1901; can not say from memory. One dividend was declared, I be-

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lieve, in early part of 1898, of 40 per cent., or \$1,000,000, subsequently paid during that year in cash. A second dividend of 40 per cent. or \$1,000,000 was paid in cash during that year. There was a dividend of  $\frac{1}{2}$  per cent., or 202 \$100,000, in January, 1902. There were no other dividends declared or paid during those years to my knowledge. I would have known if there had been, because I was there all of the time.

*Capital and Borrowings of McCormick Co.*

The capital of the McCormick Company was \$2,500,000. That was nominal as respected their investments in the business, which was in 1898 from \$25,000,000 to \$40,000,000 in 1902. I have not the figures and memory does not give them exactly. That is their surplus and capital combined. Between 1898 and 1902 inclusive, between \$5,000,000 and \$6,000,000 were invested in land, buildings, equipment at Chicago and throughout the country in agency properties—capital expenditures made out of the business. I have no recollection of the farmers' and agents' notes during that period, but as business 203 increased, it is fair to assume that volume of notes increased, and it is a fact that they did.

I was familiar with the borrowings the McCormick Company was required to make during the years I was cashier. The borrowings for 1898 were approximately \$1,000,000; for 1899, \$3,000,000; for 1900, \$7,000,000; for 1901, \$8,000,000; for 1902, \$11,000,000. Those were borrowings to carry on the business.

*Cross-Examination.*

210 These amounts were borrowed in the manufacturing season and in the early years of that period were paid in the fall when accounts receivable were paid, but not in the later years.

*Borrowings of the I. H. Co.*

The I. H. Co. borrows in the course of a year many times eleven millions. The fact that the company is borrowing large sums in the manufacturing season means that the company is hard up for ready cash; that their money was going back into the business, and that they needed either new capital or borrowed money. I should think that it is a true statement that the I. H. Co. borrows from \$60,000,000 to \$70,000,000.

## Negotiations Resulting in Organization of International Harvester Company.

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GEORGE W. PERKINS:

210 Q. Mr. Perkins, you reside in New York City? A. Yes,  
sir.

*Statement by Counsel for Petitioner:*

Before the examination proceeds I want to make a brief statement to the witness.

Mr. Perkins, it has come to my attention that two subpoenae have been issued and served upon you to appear and testify in this case. One of these is a subpoena to appear and testify on behalf of Edgar A. Bancroft, one of your co-defendants in this suit, and who is also your attorney of record in this case; the other is a subpoena to appear and testify on behalf of the International Harvester Company, another co-defendant, of which you are Chairman of the Finance Committee.

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In view of the fact that, although the defendants have called over 1,200 witnesses without subpoena, so far as I can discover from examination of the Marshals' offices, you are the first one of the 1,200 witnesses in this case to be subpoenaed by the defendants, and more particularly because of the form of the subpoena which summons one defendant in this suit to testify on behalf of another defendant, it has occurred to me that possibly you may be going to testify under the advice of counsel that testimony given by you under the circumstances stated will secure you immunity from any possible future prosecution based upon any of the matters in respect to which you may testify to-day. Therefore, particularly, as I have stated, in view of the character of this subpoena, which summons one defendant to testify on behalf of another defendant, and this other defendant his attorney in the case, I deem it my duty

as counsel having this case in charge for the Government, to state to you that the Government has not called you; that as you are testifying voluntarily in your own behalf in a suit in which you are a defendant, you will gain no immunity by so testifying. Furthermore, you will be subject to cross-examination. I have thought it only fair to you and to the Government that I make this statement to you in order that the record may be clear, particularly as the law in some jurisdictions considers it necessary that some such statement as I have made should be made to a witness when he is sworn to testify.

Mr. Perkins: May I say in reply to that, that I was very much surprised to learn that the Government had closed its case against this company, that all the world knows, through public print and otherwise, I was largely instrumental in organizing, and never showed me nor the company the courtesy or the justice of calling me to testify in their case.

Mr. Grosvenor: You understand, then, that you are your own witness, and not the Government's?

The Witness: I understand the Government does not propose to show me the slightest courtesy or to call of their own motion, the man who they have said was largely responsible for organizing this company.

### *Business Experience of Witness.*

212 Mr. PERKINS. In 1902 I was a member of J. P. Morgan & Company. Prior to that I was connected with the New York Life Insurance Company. For a number of years I was traveling pretty thoroughly over the western states and later in New York, and in Europe. My business with the New York Life called me to Europe almost annually for a number of years. The company was seeking concessions to do business in a number of countries, and I went quite often to adjust those matters and to arrange for the development of the New York Life's business in Europe; building up our agency system there, and generally organizing the business in Russia and all parts of Europe—Germany, Hungary, Switzerland, France, England, Holland, and in fact practically all the countries. These visits to Europe extended over about 10 years prior to my leaving the New York Life. Some years I stayed several months.



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*Familiarity with Agricultural Conditions in U. S. and Europe.*

I was born in Chicago and lived in Chicago the larger part of my life and so am quite familiar with the development of the western part of the U. S. I moved from Chicago to Cleveland in 1879. Three or four years after that I went to Denver and Kansas; made my headquarters at Denver and traveled very thoroughly over the central and western states such as Kansas, Nebraska, Iowa, and clear out to the coast. I was engaged for several years at that work—organizing the agency department of the New York Life.

My observations made me familiar with agricultural  
 213 conditions and the development of the U. S. in a general way. That was really part of my business with the New York Life—to keep our agency organization abreast of the development of the country in the different states. I observed and knew in a general way the mode of cultivation of farms and the method of harvesting crops in the United States.

My later travels through Europe impressed me with the striking contrast in agricultural conditions and the methods of farming and harvesting crops abroad as compared with this country. We were doing our work on farms with machinery and various farm implements; abroad, perhaps the most noticeable difference was in Russia where they had very little machinery except on the very rich man's farm. The fact that Europe was so far behind in the utilization of farm machinery made a very strong impression on my mind.

*Efforts of McCormicks in 1902 to Secure Larger Capital.*

After I left the New York Life Insurance Company I became a partner of J. P. Morgan & Company. I received a visit from Cyrus McCormick in June, 1902. He came to talk over the question of enlarging the capitalization of his company, or rather to devise some way of providing more money for his company to enlarge its business. I presume I discussed the business and the  
 14 prospects in general with him. It is difficult to go back 10 or 12 years and remember an interview, but in a general way I discussed the ideas he had submitted to me for consideration. Their desire was to provide more capital in some form or other—that was the principal thought. We did not decide at that meeting what plan

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we would adopt. Doubtless I did nothing at the first interview but receive his suggestions for consideration. I then considered the matter. I think I had several interviews with him succeeding that.

*Opportunity for Harvester Business in Europe and Asia.*

I talked with Mr. Stanley McCormick and I think with Mr. Harold McCormick. Mr. Stanley McCormick had been in charge of the Paris Exposition exhibits of the McCormick Company and had a good deal to do, as I remember, with their foreign business. I had a very important talk with him, I remember, about the foreign end of the business generally, because that interested me. I was fresh from the general question of developing American business in Europe. The question was absorbing the attention of a good many men then. It was furnishing new opportunities. Other industries had gone into Europe, and I had been there so much that I was naturally more or less familiar with it.

The opportunity of developing the harvesting machine business in Europe and Asia had been in my mind for some time. It was a very great opportunity, especially in countries like Russia, Germany and Austria-Hungary, —great territories that were almost unscratched and just lying there waiting, it seemed to me, for the same opportunity to till the soil that had been furnished the American farmer.

*Morgan & Co. Secures Option on Milwaukee Plant.*

215 I think I learned in one of the earliest talks with Mr. McCormick that the Milwaukee Company was for sale and that an option was out for it. I am talking about Mr. Cyrus McCormick, probably. I bought the Milwaukee option for J. P. Morgan & Company.

Counsel states that the testimony shows that for that option \$100,000 was paid through Mr. Middlekauff and furnished by Mr. McCormick in Chicago on a telephone request from New York from J. P. Morgan & Company and afterwards paid by a draft on J. P. Morgan & Company. That is the fact about it. The purchase was made entirely by J. P. Morgan & Company. No one had any interest or connection with it in any shape, form or manner. Mr. Cyrus McCormick had no personal interest in that transaction, nor had his company or any of his friends. The McCormick Harvesting Machine Company

had no interest in it at all. The furnishing of the \$100,000 temporarily was a mere accommodation personal to J. P. Morgan & Company. It just so happened that the payment was made that way. It had no significance whatever.

*Large Company Needed for Export and Year-Round Business.*

- 216 I went on and considered the harvesting situation and studied it very carefully. Mr. Middlekauff had brought the Milwaukee option to me in New York, and I believe he was a well informed man in the harvester business. I talked with him frequently and with other people. The more I thought about the McCormick proposition, the less I thought it was an advantageous one from the standpoint of what I believed to be the opportunities in the business in which this company was engaged. I thought McCormick's way of getting at it, that is to enlarge his one particular company, was not the right way. It did not appear to me as being quite big enough or broad enough to cover what I considered the opportunities, because I believed there were two very important channels to develop in the agricultural implement business. One was a method of handling it so as to establish an all-year round selling organization, which at that time did not exist. They would sell for two or three months, and then the organization would be idle; it was very expensive. The other was the colossal opportunities for the export trade. I did not see how any one company, with only the credit of one company and with the men in one company, could be developed promptly and vigorously enough and in the most satisfactory way to accomplish those objects. It meant large men. You see I had been dealing with a pretty big unit—the New York Life Insurance Co. It was an organization of thousands of men and many millions of dollars, and I had found when I went to Europe with that backing that I was able to make great progress in those different countries and that it needed men and money just as much as it needed credit, to command the
- 217 situation over there. As to whether I recognized that as true in the harvester line: a fixed and successful principle in one business will guide you in another.

*Enlargement of One Company Insufficient.*

I did not think that the McCormick plan of one company was as good as could be done. I felt that

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what was needed was a very much larger company than could be formed with one company as a basis for credit, or that one company could furnish in the way of men; and the result of a good deal of thought, discussion and talk about it was a plan in my mind. I thought perhaps we could use the situation to form a company that would be large enough to do the things that I saw in the future of the business.

I set about to talk to men of other companies, with a feeling that the only way such an arrangement as I had in mind could be brought about was to get a number of the best equipped, the most experienced harvester men together in one company, with sufficient capital behind them to make a drive for the export trade, and for an organization that could do business all the year round.

*Perkins' Negotiations with Various Manufacturers.*

As I remember, I had a good many conferences; some with the Deering Brothers, and Mr. Howe, and a good many different harvesting men; Mr. Glessner of the Ohio Company, with which I was familiar. I lived in Ohio a great many years, knew Governor Bushnell intimately, and knew more or less about their business. I would not pretend to say from memory how many conferences or talks I had, but with anybody I could get my hands on, who I thought knew anything about the business. I gathered this information from conversations with various men. Stanley McCormick, Cyrus McCormick, the Deerings, Glessner, Howe, and all these men. The final accomplishment was the organization of the International Harvester Company.

218 In working out the plan, I had negotiations with owners of different companies. As to whether these negotiations resulted in contracts whereby they agreed to sell their plants; would rather you would not call them contracts. I traded and traded and traded with different ones, to see on what basis I could buy their property. If you have ever made a trade, guess you know how trades go. You think you can do one thing one day, another thing another day. Finally I came to the conclusion with each one of those with whom I was dealing. I don't remember the date.

As to why the contracts of July 28, 1902, were made with Lane and the transfers to him; I don't recollect

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that there was anything about it except that we were still trading and working it up to the point of culmination. We did not know we had a corporation until we had everybody—each person I was trading with; until I knew what I could do with each person I was trading with. Until I had finished my trading of course, I did not know what kind of company would organize. So far as I know,  
 219 that was the only purpose of the use of that form of transfer,—contracting with Mr. Lane. That was just a business form. Then the International Harvester Company was organized.

*Reason for Selecting Name "International."*

I selected the name International Harvester Company because it was the natural outcome of the conception of the plan that I was trying to work out, that we should have a company large enough to be very potential in the export trade; and the experience with New York Life, had to do directly with selecting that name. In my operations in Europe I had found that the name "New York" was regarded more or less a local name over there; did not mean as much to them as it does here. I discovered that the New York Life had been doing business in Europe and in large number of countries outside of the U. S. for a longer period than any other life insurance company, and it was the oldest international life insurance company in the world; I thought that was a good trade name. I immediately began to suggest to our agents, that they use it, and it became a sort of second name for the New York Life. We found that when we talked about the New York Life, the oldest international Life Insurance Company; it meant more and placed us in more comfortable situation than when we called it the New York Life—and it was very successful. That one thing was worth a great deal of business to the company.

I followed that experience in taking up the development of this larger idea in the harvester business and determined to call the company the International Harvester  
 220 Company, believing it would find itself more readily at home and would more nearly express the scope which I hoped it would be able to accomplish. No one agreed with me very much; they thought that it was a pretty ambitious name. J. P. Morgan was in Europe at that time. I communicated with him by cable respecting the

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name. He suggested United States Harvester Company or some similar name; others American Harvester Company. I cabled him my reasons for favoring "International" as follows:

"Riverdale, August 10, 1902.

J. P. Morgan,  
Dover House, London.

Thanks for cable today. Three of the companies have quite extensive business abroad, in Russia, Germany, Argentine, Australia, Mexico. Very desirable to have Company international so that it can comply with laws of various countries and be at home everywhere. We thought as the business is so entirely different from shipping, and in view of importance of foreign trade to company you would not object to using international; but if after considering this phase of it you do, we will use some other name."

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I have been unable to find any answer to this; think it was because this cable was sent from my home. Evidently Morgan acquiesced because we took that name.

*Purpose of Voting Trust.*

In the organization of International Harvester Company there was a provision for a voting trust; it was adopted to make it perfectly certain that the company was organized to carry out the general plan I had in mind, as to what it seemed desirable to accomplish,—the things I have described, and other things. I chose the directors for the same reason.

*Osborne Purchase Not Considered at Organization of I. H. Co.*

During the period of negotiations that resulted in the formation of I. H. Co. and at the time of its organization, the question of buying the Osborne Company was never considered. That was purchased some little time after the I. H. Co. was formed. I had to do with the negotiations for the purchase. I do not think I had all to do with them, but a substantial part. As to the motive governing the purchase of the Osborne, it fitted into the program of supplying the I. H. Co. with other lines of business; was a desirable addition from the standpoint of some foreign export business it had and the factory and plant were advantageously located for export purposes.

222

I do not remember when J. P. Morgan went to Europe in 1902. As partner of J. P. Morgan & Co. I was in very

close relations with Mr. Morgan and the business of the firm; was very active in the firm, and knew in general way its affairs. I never knew of Mr. Cyrus McCormick or Mr. Swift seeing Mr. Morgan with respect to Harvester business in 1902. In my talks and correspondence with Mr. Morgan then or at any time, he never mentioned that McCormick or Swift had been to see him. I never heard of such a thing. Mr. Morgan never mentioned it and he certainly would have done so had they been to see him.

As to whether I joined Morgan & Co. in 1900 or 1901; really, I do not know. You will have to look it up in the records.

*I. H. Co.'s Stock Issued for Full Value—"No Water."*

The I. H. Co. was organized and the stock was issued on a cash basis. There was no "water"—to use a common expression, in the organization; nothing allowed for good will or any accessories, such as are often put into companies; the properties were appraised very conservatively, I always thought; stock issued for full values and for actual cash; there was no syndicate or anything of that sort, in connection with the organization.

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*Cross-Examination.*

*Examination as to Memoranda.*

Whatever memoranda or personal notes I made during the period of negotiations which resulted in formation of I. H. Co. would have been, of course, the property of J. P. Morgan & Co. I think they have been examined. I have not retained in my personal custody any of my personal memoranda or papers relating to formation of I. H. Co. with one exception: the paper all the gentlemen signed, giving me the right to finally adjust and fix values, and things of that sort; as it placed a great deal of responsibility and confidence in me, I kept that as a personal memento. That was signed in 1903, but it was not a contract. It was a very small piece of paper as I remember it. I do not recall that there were very many memoranda. I have not refreshed my recollection by perusal or examination of any papers which were contemporaneous with the negotiations nor by reading any of the testimony given  
224 in this suit by some of parties who had dealings with me

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in 1902. I have made no effort to refresh my recollection as to any of those matters.

It is not a fact that from the latter part of June, 1902, until July 28, 1902, I was endeavoring to bring together into one company, the five harvesting companies which went into the I. H. Co.

Being handed a letter dated July 3, 1902, addressed to George W. Perkins, and signed Stanley W. McCormick; I do not recollect the letter, it is evidently one that I received.

I have not preserved a copy of my letter to Mr. Stanley McCormick dated June 28, 1902, referred to in said letter of July 3, 1902.

Q. It appears from this letter that you enclosed a copy of the notes of your conversation with Mr. Stanley McCormick, on June 27th. Do you have a clear recollection as to what transpired at that interview between yourself, Cyrus Bentley, and Stanley McCormick on June 27th, at your office?

A. No, I had a world of interviews with a great many people in the general run of business, and it would be impossible for me to remember things of that sort.

225 I do not know the date Mr. Middlekauff appeared from Chicago, bringing me a letter of introduction from Mr. Cyrus McCormick, and the option from the Milwaukee Company. He brought us the option and we purchased it.

I have made no effort to familiarize myself with the dates or any of the details of this transaction. I have no recollection of preparing, after such an interview with Cyrus Bentley and Stanley McCormick, notes of our conversation; or of sending such notes to Mr. Stanley McCormick.

Q. He states here: "I return herewith copy of our conversation, showing the corrections which it has been necessary to make, and I also enclose a fresh copy as corrected." Have you any recollection of the receipt of such papers?

A. No, but my recollection is that they furnished me very freely, as did many other gentlemen, information that I asked for. I have not preserved any of them.

*Examination Regarding Pet.'s Ers. 285 and 286.*

Petitioner's Exhibit 285, a letter dated July 3, 1902, on 226 letter head of Cyrus H. McCormick, 7 Monroe street, Chi-



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cago, Ill., addressed to George W. Perkins and signed Stanley McCormick, is as follows:

"I acknowledge your favor of the 28th ult., enclosing a copy of the notes of our conversation of June 27th; and, also, a list of statements desired by you. I return herewith the copy of our conversation, showing the corrections which it has been necessary to make, and I also enclose a fresh copy as corrected. I also enclose the following statements asked for by you:

(These are 1, the balance sheet of McCormick Company of Sept. 30, 1901; 2, statement showing its volume of business in each of the last five years, the cost and selling expenses, etc.; 3 and 4, statement of organization and manner of doing business of sales department and the collection department; 5, statement of worthless paper charged off since 1890. Also complete collection of the forms.)

The statement giving the details of the negotiations with the Messrs. D's will be forwarded later.

\* \* \* Since returning home, we find that the remark which was suggested to be made to the Messrs. D's at their last interview with my brothers, viz: that no changes are to be made relative to the interests of the two parties in the trade,—that this was not included in the interview. You will remember that on June 27th, Mr. Bentley and I were not entirely sure whether this had been included or not, and I thought it might interest you to know that it was overlooked.

These statements have taken somewhat longer than I supposed, but we are forwarding them rather than to hold them until my brothers go East, thinking you may have some opportunity of studying them."

Mr. PERKINS. Being handed Pet.'s Ex. 286, type-written "Statement made by Mr. Stanley McCormick and Mr. Bentley to Mr. Perkins, June 27th, 1902, in New York City": I can't identify it, but it may have been one of the many memorandums handed me. I have no recollection of receiving statements specifically from Mr. Stanley McCormick.

228 I received all kinds of memoranda and data I asked them for bearing on the general condition of the trade from the McCormicks, Mr. Glessner, Mr. Deering, and all of them. I have a recollection of an interview with Stanley Mc-

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Cormick and Bentley about the time I began to work out my idea of organizing a company.

I have no recollection of an extended interview at which Stanley McCormick and Bentley described the McCormick business to me, after which I dictated what transpired, or they did, and I sent a statement to them; my conversation with Mr. McCormick was on quite a different subject. Stanley McCormick and I spent, I remember distinctly, quite a part of the day discussing the export business and the possibilities of business in Europe. He had been over there in much the same way for his company that I had for the New York Life. We talked about a number of things besides the export business; about the situation here, of course, and the situation there. The export business was very fascinating to me, because I had known for a number of years of the possibilities of American trade in Europe.

Being shown the following language in the letter marked "Petitioner's Exhibit 285": "The statement giving the details of the negotiations with the Messrs. D's will be forwarded later. I believe that this covers the information which you have asked for.": I have no recollection of receiving such a statement from Stanley McCormick  
 229 or the McCormicks; but I heard a great deal from various people about the efforts to organize an American company several years before.

As to my recollection of having discussed the subject of prior negotiations between the Deerings and McCormicks: In gathering information I remember the talk there was among some of those people some time before that, about forming the "American Harvester Company." That naturally was of interest, because it gave me an idea about what they thought about the business and its opportunities. I talked with the McCormicks about their talks about forming an American company before; also with the Deerings about that. As to whether the American Company was an attempted consolidation of all the harvester companies in 1890 or 1891; it ran along, as I remember, for several years. I do not remember how many companies they had in mind. My interest in it was simply getting at their views of one another. I was trying to get all information I could to throw light on values. As to whether these prior negotiations were an attempted consolidation of all the harvester companies in 1892: I do

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not know what they attempted; all I know is what they  
 230 said they were trying to do, or what somebody was trying to form.

The paragraph of Petitioner's Exhibit 285 beginning, "Since returning home," does not refresh my recollection of what transpired between me, Bentley and the McCormicks. I do not know what the paragraph means. I was not obtaining any more information from the McCormicks than from everybody else. Naturally I was endeavoring to learn all the details of the business of each company. I was negotiating to buy this, that, or the other company as best I could. Naturally I would not have gone on with the purchase without finding out all I could about each company, not only from itself but from other people.

As to whether at my interview with Stanley McCormick and Cyrus Bentley, they referred to negotiations which they had had with the other companies regarding a consolidation: I think I have already answered that I do  
 231 not remember that that subject was up. The thing I remember about my connection with Stanley McCormick was our interchange of views about the export business.

I am unable to identify this statement (Pet. Ex. 286). If counsel should state that it came from the files of Morgan & Co., it would not enable me to identify it.

As to whether I have a recollection of an interview between myself, Stanley McCormick, and Cyrus Bentley on June 27th: Counsel has asked that three or four times, and each time I have said I remember an interview with Stanley McCormick—possibly Mr. Bentley was present—at which we went into, for several hours, an exhaustive discussion of the export business. The only discussions with Stanley McCormick, that are vivid and I can testify to, were on that subject. I cannot swear whether  
 232 Cyrus Bentley was present.

Q. (Counsel for petitioner reading from Petitioner's Exhibit 286): "The McCormick and Deering people, in talking over how they might get together, estimated, in the matter of good will, that about two average years' profits ought to represent the good will of each company's business. In negotiations not a great while ago the Deerings rather expressed the opinion that if the McCormick and Deering Companies were to come together it ought to be on a basis of about 53 for the McCormick Company and 47 for the Deering; while the McCormick's figures

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have been anywhere from 55 to 60 for the McCormick Company and 40 to 45 for the Deering Company. These figures are not as far apart as they seem to be, because the Deering people have always refused to regard the outstandings as legitimate assets of the businesses in forming a combination. Without these the percentages, according to the McCormick Company's figures, are about 55 to 45 as against the Deering's figures of 53 to 47."

. Have you any recollection of having discussed the matter which I have read, with Stanley McCormick and Cyrus Bentley at any time, in the summer of 1902? A. Not those gentlemen particularly, but I remember discussing all sorts of phases of questions as to the values of the different properties as I pursued my trade.

Q. This is another paragraph (Exhibit 286): "The Champion Company. Mr. Glessner is president of this company. Mr. Harold McCormick saw him three or four weeks ago and sounded him as to what he would think of the several harvesting companies getting together. Mr. Glessner seemed to be very much interested in having it done and said that his company would not be particular as to details or as to what influence would predominate." Have you any recollection of Stanley McCormick or Cyrus Bentley stating to you, in the summer of 1902, that Harold McCormick had seen Glessner, president of the Cham-  
 233 pion Company, and that Glessner was very much interested in having the harvesting companies get together, and had so stated? A. Not that specific thing; but there was a great deal of talk during all my interviews with these people about their efforts to form the American Company, and how they had talked with this, that and the other person, and what they had tried to do—which did not interest me very much as to the question of a new company, but threw a good deal of light on the respective opinions of men on other peoples' properties.

Q. (Being shown paragraph in Petitioner's Exhibit 286, referring to the holdings of stock in the Champion Company): You sent someone, towards the latter part of June, to Washington to acquire the stock of the Warder estate, did you not? A. I do not recollect that I did. I do not see why they should have put all that in a memorandum. I knew quite as much about that company as they did. I had lived in Cleveland and knew that situation pretty thoroughly.

Q. [Being shown Middlekauff's testimony (Vol. I, p. 161) as to his being sent to Washington by Mr. Perkins to see whether the Warder Estate would be willing to sell its interest in the Champion Company]: Now, does that aid  
 234 your recollection as to whether you sent Middlekauff, shortly after the date of this interview with Mr. Stanley McCormick, to Washington in order to purchase or secure that stock of the Warder Estate? A. Situated as I was with J. P. Morgan & Company, I was very active in many things and was sending people here and there on errands continually. If Middlekauff has testified that I did that, quite likely I did, but I have not the slightest recollection of it any more than I would have of sending a hundred other men on a hundred other similar errands.

*Acquisition of Best Properties to Capture Export Trade.*

I was not endeavoring from the first of July, 1902, to acquire the stocks and control of the Plano, Champion, Deering and McCormick companies. I never had a thought of buying the stocks of those companies. I was trying to buy the best properties I could on a cash basis, without regard to good will, names and patents, and to form a company that I believed would accomplish the purposes I had in mind.

As to whether I was trying to get the property and businesses of each of those companies: I was trying to get the properties of one or two or whatever company; for instance, I actually bought the Milwaukee Company, and would have gone on with that and gone into business with it, and have tried to get one or two more companies; or perhaps more, until we had reached a point where we could go out and capture what I believe was a very desirable export trade for this country.

If Glessner has testified that he went to New York the first part of July, 1902, at my request, in connection with the sale of his property, I do not recall that, but I do not doubt he did.

If Howe has stated that he went to New York early in July, 1902, at my request, in connection with the sale of  
 235 the Deering Company, I do not recall that, but I talked with Howe and Glessner and these different gentlemen about their property and about other people's property.

As to whether I tried to buy the Champion and Deering Companies from the early part of July until the consum-

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mation on July 28, 1902: If a man goes out to buy a horse, he may look at six or eight horses and be in doubt as to whether he will buy this, that or another horse until he finds out what in his judgment in the best horse—and that is exactly what I was doing. It is not true that I had Howe and Jones in New York, and did not buy from either of them or from the other three until I could get all of them. They were in New York and I talked with all of them. I would have bought two or one or—

Q. (Interrupting): I am talking about what you did do. You did not buy either of them or any of them until you got all of them, did you? A. The difficulty is that you are trying to prove that because we finally bought five we started out to buy five, and those particular five, and you can't prove it because is isn't so.

It is a fact that I did buy one of these five horses before I got all of them. I bought the Milwaukee Company.

Q. And to buy the Milwaukee Company you had McCormick and Middlekauff act as your agents? That was just because they were the most handy and efficient agents  
236 to operate through. You are trying to make it appear that this was an act of collusion. You are trying to show that there was something between the McCormicks and myself in regard to that Milwaukee Company, and there was not. It was a straight out-and-out purchase of the Milwaukee Company.

As to when I paid \$3,000,000 for the Milwaukee Company and if it was not until after July 28th: I do not know when it was. We got an option. That is a common way of making a trade. I don't know what date we declared our option. I suppose the records will show the date I paid the \$3,000,000. I would have no respect for my memory if I tried to make it remember things that could easily be proven by documents. It would be perfectly ridiculous for me to attempt to remember dates ten years back, living as busy as life as I have led.

*The Stanley McCormick Statement.*

Being handed a paper, subsequently marked Petitioner's Exhibit 287, and asked to identify it as a statement submitted to him by Stanley McCormick, or by any of the McCormicks, in the summer of 1902, relating to their  
237 business: I have no recollection of that, and doubt very much if I ever saw it, because I do not believe I have ever

read as long a document as that on any subject, in my life. I received statements from a good many other people with whom I was negotiating at that time; probably not many statements as large as this.

I do not recall receiving a detailed statement from the McCormicks describing their foreign business. It was because of my interest in the export business that I took this active part in these matters in 1902. Probably I got statements from the McCormicks in connection with their foreign business, but got a great deal of information, I distinctly remember, in conversations.

*Foreign Trade of 1902 Insignificant.*

Q. (Being shown in Petitioner's Exhibit 287 the paragraph entitled, "Foreign Department"): See whether that is a written description of the foreign business received by you? A. No, this is a detail, evidently, of what they were doing. I was not so much interested in what had been done, which was, I thought, a very insignificant and puny effort on the part of this country to go out and gather in a colossal opportunity. Compared with what I saw as I went over Europe, it was just a drop in the bucket.

Q. Do you find anything in this statement about the  
238 amount of foreign business done? A. I did not notice, but the foreign business was maybe a million or two of dollars. It may have looked very large to them—it may look very large to you; but we built this business up to \$50,000,000 and it would be \$100,000,000 if the Government would let us finance our company.

As to whether this paper correctly states the different foreign branches of the McCormick Company, as stated to me in 1902: The opportunities of acquiring business were described to me and that is what I was interested in. I looked upon the foreign business as a flea-bite compared to what it ought to be and saw but one way to get it, before the Germans got busy and got it; and that was to get men who knew how to do it and credit and money to do it and get it in a hurry.

I do not know what the foreign business of the five companies that went into the International in 1902 was, maybe five or six or seven millions of dollars. Here last year we did \$50,000,000 of business, and if the Company had not been held up and we could have had the credit we

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wanted and could have pursued our business instead of giving all our time to lawsuits, we would certainly be doing \$75,000,000 of export business today.

Q. And in your judgment, it is right to form a consolidation of 80 to 85 per cent. of the harvesting business in this country in order to enable the company which has that per cent. of the domestic business to engage in the foreign business on a large scale? A. That never came up.

*Purpose to Develop Export Trade.*

239 I don't know whether the company I organized in 1902 did acquire 80 to 85 per cent. of the harvesting business; I suppose your records will show that. (Being handed a copy of Defendant's Answer, Signed by Counsel): I do not recollect this document as you submit it to me. The percentage of any particular line of business the I. H. Co. had when it started was not a subject of discussion, or was not in the situation when we formed the Company.

Q. (Being shown defendant's answer admit that prior to 1902 the aggregate annual output of the McCormick, 240 Deering, Milwaukee, Plano and Champion amounted to approximately 80 to 85 per cent. of the harvesting machinery): Did you understand that they controlled that per cent. of the business when they were organized into the I. H. Co.? A. No, sir.

Q. There have been a number of witnesses, persons who dealt with you, who have testified in regard to the per cents and output. Did you consider with any of them the relative amount of business that was being done in this country by the five companies which went into the I. H. Co.? A. I was after just one thing—the actual value of these companies, their utility in the plan I had in mind and the ability of the men they had to carry it out. When we got together the fact that they had 69 per cent. or 70 per cent. or 82 per cent. or 14 per cent. or 21 per cent. had no interest to me and nothing to do with the plan. I knew what men I was getting, and that if I could send them abroad, and could get them together in one organization, similar to the one I had been welding—the N. Y. Life,—I could accomplish some results. I did not care whether I got 80 or 85 or 90 per cent. of the business so long as it enabled me to have a large company to go into this foreign business. I did not care how large a per



cent. of the domestic business was controlled by us. We were after ammunitions of war to go after export trade.

As to whether I knew these were the largest companies in the United States which we were acquiring; there were other very important companies I would like to have had, for instance, the Massey-Harris Company, which had a strong footing abroad and I figured that we would try to see what we could do with them. If we had not secured the McCormick Company, we probably would have taken the Massey-Harris and perhaps the Adriance-Platt and the Acme Company. There are good enough men from  
241 some consideration to the thought of getting the Massey Company.

Q. (Handed Petitioner's Exhibit 286, which enumerates the Massey-Harris Company.) See if that refreshes your recollection so that you can identify it. A. No. The matter probably was discussed. I knew the Massey-Harris Company from seeing their operations. They had offices in London and agents in Paris; looked to me as if they were about the most vigorous thing over there in my days in Europe.

*Subject of Domestic Competition Not Considered.*

Q. Was the subject of competition in this country considered by you and by the others that were going into the company? A. It was not considered by me. I do not know how they felt about it. A man who has goods to sell usually does not touch on his views of what his objective is.

Q. [Being shown portion of Petitioner's Exhibit 287, as follows: "The usual terms for harvesting machinery are one-third in the fall of the year the machine is purchased, (this is called cash), one-third the fall of the following season, and one-third the fall of the second season, so that a farmer who bought his machine in the spring of 1902 would pay one-third of it in the fall of 1902; one-third of it in 1903, and one-third of it in 1904; or, in other words, he would have used the machine in three harvests before it was finally paid for. Excessive competition has extended this time until it frequently happens that a farmer has three years in which to pay for the machine after the season in which he purchased it. Competition has also brought about the undesirable feature of giving

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242 a farmer a year's time without interest when the crop conditions are unfavorable and he is not able to get full use out of his machine. It is also a custom to sell machines at the close of harvest on what are called 'next year's time' without interest. That is to say, that if a farmer purchased a harvester or reaper in September of 1902, he gives his note without interest until the fall of 1903, and at that time pays one-third cash, and one-third each in the fall of 1904, 1905. The policy of extending this long credit has worked to the advantage of the McCormick Company in some ways by increasing sales, but if the Collection Departments of all the various companies were managed together, many improvements upon this system could be effected by shortening the length of credit and by making the examination of the paper taken in payment more rigid."'] You may state whether or not the matter of consolidating the collection departments of the five companies was one of the matters discussed and was one of the savings which you were to accomplish by this consolidation, and thus enable you to extend your foreign business? A. You take it for granted all the while that this was a set up scheme, that these five companies were going into the I. H. Co. for some nefarious purpose. As that is not so, how am I going to answer that question? This statement about credits would sound to me, if you had not told me that it was something that had been handed me from the McCormicks, as though you were reading it out of this year's prospectus of the I. H. Co.

I always have believed in giving the farmers these credits. We are giving them long credits, and that is one of the reasons why, when Mr. McCormick came to me about enlarging his company, it seemed to me futile. We had to have a larger credit. In the years we have been in Europe we borrowed \$90,000,000 from the London, the Paris, the Holland, and various other banks over there, for the purpose of allowing the poor peasants to buy our machines on credit so we could introduce them and get them started in the use of our machinery—the very thing I saw in Europe, we are doing it on a big scale.

Q. This statement says, "Competition has also brought about the undesirable feature of giving a farmer a year's  
243 time without interest when the crop conditions are not favorable and he is not able to get full use of his machine."

A. If they thought it undesirable, I did not. We give

credit as long as our means will permit and if we could get more money, which we cannot because we are tied up by the Government, we would be doing more of that business.

I do not recollect that the consolidation of the collection departments was discussed by me with the McCormicks in the summer of 1902. As to whether I discussed with the McCormicks from the beginning of July, 1902, the personalities of the different parties with whom I was to negotiate; I do not know why you touch all the while on the McCormicks. I discussed with them and with a great many people the properties I was trading to acquire for reasons I have already given.

Q. Do you recall discussing this subject with any of the parties with whom you dealt in the summer of 1902: "Mr. Deering has urged that the whole trade be taken into the combination. Against this it has been suggested to him that if only 90 per cent. were brought in it would be quite possible to deal with another of the minor companies if any one made excessive demands; that is, no minor company is probably essential to the combination, although the five named are undoubtedly the most desirable?" A. No, sir. I presume that had to do with the old American Co. question which they discussed among themselves. I have no recollection of discussing that subject. It would have been of no interest to me.

Q. Have you any recollection of discussing this subject: "The Deerings have indicated that they would prefer not to sell for cash, but would take securities and keep an interest in the management of the new organization?" A. I do not remember that. The question of taking the securities came up later, when we found and appreciated the breadth of my enterprise and what it was likely to work out into.

244 Q. (Being shown Rec., Vol. II, page 155, testimony of Mr. Howe, as follows: "Q. When was it suggested to you that you should take stock as consideration for the transfer of your property? A. All through the discussion. Q. You understood that was to be the arrangement, from the beginning? A. Yes.") Your recollection differs from the testimony given by Mr. Howe? A. No, I do not know that it does. I said, I was trading, and I naturally felt out each person with whom I was dealing according to the situation at the moment I was trad-

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ing with him, to find out what I could do and how it would fit into any ultimate plan I might be able to consummate.

Q. Mr. Howe also testified, page 149: "Q. The whole idea, then, was that the new company was to purchase a number of businesses? A. That was my idea. Q. All the time? A. Yes." Do you wish to be understood as testifying contrary to what Mr. Howe testified to? A. No; I want to make it clear that I was out to get—here and there, where I could, but not necessarily any particular company,—enough power, enough men with brains and knowledge of the business, and enough credit to put behind a concern to accomplish what I thought I could accomplish if I could get what I wanted.

*Petitioner's Exhibits 286 and 287.*

"Petitioner's Exhibits 286 and 287," offered and objected to on the ground that no proper foundation laid.

Document entitled "Statement made by Mr. Stanley McCormick and Mr. Bentley to Mr. Perkins, June 27th, 1902, in New York City," appears as Petitioner's Exh. 286, Vol. XIII, pp. 244 to 253.

254-267 Pet.'s Ex. 287—Detailed statement of organization of McCormick Harvesting Machine Co., showing (1) Domestic Sales Department and list of General Agencies in the U. S.; (2) Foreign Sales Department and list of foreign points at which dealers are handling McCormick machines; (3) Organization of Twine Department; (4) Method of marketing machines in different territory by consignment and direct sales; (5) Collection Department.

## XIV

169 Stipulation that Petitioner's Exhibits 285, 286 and 287 are documents obtained from the files of Morgan & Company, and were among the papers relating to the I. H. Co. found in said files after George W. Perkins had separated from that firm.

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269 GEORGE W. PERKINS (cross-examination resumed):

*Object Was to Acquire Not Specific, but Sufficient Properties.*

Q. Mr. Howe testified that he went, at your request, to New York, the first of July, 1902, and that you asked

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him if he would sell out the business of the Deering Company, to a company to be formed by Morgan & Company. Mr. Jones testified that he went to New York, the first of July, 1902, at the request of Judge Gary, and that you asked him if he would sell the business of the Plano Company to a new company to be formed. Mr. Glessner testified that about the first of July, 1902, he went to New York in response to a request from you, and that you  
 270 asked him if he would sell out the business of the Champion Company. And I understand from your testimony that Mr. McCormick was there the first of July, 1902, and that thereafter, through that month, you made propositions to him looking toward the purchase of his business. In view of this testimony do you care to change your answer to the following question:

“Q. Is it not the fact, Mr. Perkins, that from the latter part of June, 1902, until July 28, 1902, you were endeavoring to bring together into one company the five harvesting companies which went into the organization of the International Harvester Company? A. It is not.”

A. I do not think that was the only question asked me on that subject yesterday. My recollection is that I said I was negotiating during all this time, with all the gentlemen you name, and with a great many other people in regard to forming a company; that I did see them and talk with them about the values of their own and other properties. I was endeavoring to put through a successful trade with each one of them. The trade contemplated the purchase of the actual property of each one. I use that expression as distinguished from buying stocks, or the common way of acquiring properties. The trade did not have in mind the acquisition of those five companies, but of any company I could trade for on a conservative basis.  
 271 I was trading with each one of these gentlemen separately for purpose of acquiring the property of each one, if I could, on a basis that I thought was advantageous.

As to July 28, 1902, marking the successful culmination of my trading; I cannot swear to the dates; when I had concluded trading with this, that or the other man and reached a point where the figures at which his property could be acquired were determined upon, that of course was a trade. The trade was not consummated in respect to each of the four

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companies on the same day. Of course, the I. H. Co. was organized on a specific date.

As to whether the first evidence of the successful culmination of my trade was the signing of the contracts with Lane; I do not think any business man considers that a successful culmination of a trade is necessarily at the moment when it is reduced to writing. When a man's word passes on a trade, he usually keeps it. I negotiated on one day with one man, and another day with another, and would push the trade to a certain point, then give up this man or that man and think I could not trade with him; and then go back and go over it again until I knew what I could do with each man. I was conducting a great many matters for the firm besides this one question. I was not devoting my entire energies in those days to my thought of expanding the foreign business. There was extremely important firm business besides this matter on hand. I was Vice-President of New York Life Insurance Company at time, and had very responsible and important duties in connection with that company, and very responsible duties in the firm. Mr. Morgan was in Europe, Mr. Bacon was away; at that moment I was senior partner. I do not remember whether I was on Finance Committee of Steel Corporation at that time. If I was, had been but short time or went on immediately afterwards. I have no recollection or possession of any papers showing an earlier culmination of any of these trades. I have no papers in connection with that, but would like to make it very plain that a trade can progress and can culminate verbally, without being reduced to writing.

*Separate Negotiations with Each Vendor.*

Q. (Referring to testimony as to presence in New York during July, 1902, at various hotels of Mr. Howe, Mr. Jones, Mr. Glessner, the McCormicks, and Mr. Middlekauff), please state why you kept all these individuals apart and did not bring them together in order to facilitate the culmination of your trade, or why you thought that such a meeting (if you did so think) would interfere with the successful culmination of your trading. A. I take it from your question you have never done any trading. The very last thing any man would do, who was attempting to do what I had in mind, would be to bring

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those gentlemen together. If I had been desirous of forming simply a combination, as the term is commonly known, and of bringing these gentlemen all together at somebody's request, that is what I would have done; I would have brought them all into one room and said "Now gentlemen, I want you to get together" or "Lets get together and do this thing." But that was not what I was trying to do. So bringing them together and acting, I would have called a merger.

I did not select the hotels of these gentlemen, I did nothing special to keep them apart except that I traded with each man. It would have been extremely foolish if I had Mr. Jones and Mr. Glessner together discussing with them the price at which I was trying to buy each  
 274 one of the properties. You never heard of anybody who knew anything about business, trying to trade for property as I was, on a cash basis, proceeding in any such way as that.

Q. Did you in 1902 have the feeling that if they were all brought together and joined around a table and signed contracts at the same time, that would give the appearance of a combination? A. I did not. It never entered my mind. I am answering what I take to be the spirit of your inquiry. I cannot conceive of any man who is trading with three or four men, wanting to buy their several properties, bringing them together. There might have been a better way to do it, but that was my way.

*Trade Different in Each Case.*

As to whether before the corporation was formed, all the gentlemen came together in Cravath's office, and executed the contracts of July 28, 1902, simultaneously; I can't remember where they met or how; that was a matter of lawyers. Each one did receive pay for his property in stock of the new company to be organized. I might have paid Glessner in cash; did pay him more cash than stock. He wanted money. The trade was different in each particular case.

*Use of Lane a Business Convenience.*

As to whether the lawyers suggested the selling to Lane by separate agreements and Lane selling to the new corporation; I think the lawyers worked out the general plan, as is always the case in forming a company.

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J. P. Morgan & Co. naturally would not have taken on the preliminary arrangements because it would then have been publicly discussed, and if the project had not gone through, it would have been a sort of semi-failure; the idea of having some one else pick up the threads until it was  
 275 an accomplished fact, was the natural thing to do, it seemed to me. We used Lane as a temporary convenience until the corporation was subsequently organized. It was just a business method of accomplishing the final result.

As to whether I did not want to organize a corporation until I was sure that my trades had been successful: I knew at one hour one day that such a trade was successful; I knew at a certain hour the next day that another trade was in doubt; I knew the next day that that trade might be successful, and so it went on until I had about what I knew I could do. Then began the work of shaping it up in documentary form, and then, of course, it passed through Mr. Lane to final completion.

*Purpose a Large Company, Not Acquisition of Five Companies.*

Q. And you did not want to organize the company which was to acquire these five properties until your trading had been successfully put through? A. There again, of course, you put it wrong. You say that company was to acquire these five companies. That was not the idea at the outset—that we should acquire five companies. We were organizing a company. We would have organized the International Harvester Company if we had not had five companies, or these particular five companies. I wish there was some way, Mr. Grosvenor, by which you could see this as it was. I am looking at this thing from the time it started; you are looking at it back ten years, on a theory that you have constructed.

*Largest Existing Company Inadequate.*

276 Q. You testified "I felt that what was needed was a very much larger company than could be formed with one company as a basis for credit." How large a company did you think was necessary? You knew that the McCormick Company was the largest company in the business at the time, did you not? A. I knew it was one of the largest. I felt, from what I knew of commercial conditions there was an enormous opportunity for us people in the U. S. to develop trade abroad; that it was



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futile to take in one company and attempt to build up, on the credit of one company alone as a foundation, what I believed could be accomplished. I might have taken Mr. McCormick's suggestion and worked on that, and perhaps the average banker would have done that. Supposing I had done that?

*I. H. Co.'s Russian Trade Exceeds Total McCormick Business.*

Some one told me yesterday that the McCormick business was \$25,000,000 or \$30,000,000. The company that Morgan & Company did organize, is today doing more business in Russia, has more money outstanding in the hands of farmers—we have loaned them more money to buy American harvesting machinery—than the entire amount of the McCormick business at that time. How could we have built up on one company's credit, or with one group of harvesting men, a great organization that would have accomplished what I believed could be accomplished? I had been all through that with the New York Life; had tried to develop business in Russia by just scratching, and found that I had to take American men, who knew the business, over there to do it, with an enormous credit behind them.

*Enormous Capital and Credit Imperative.*

As to the amount of money I thought we ought to have: I wanted not only immediate money, a large amount—  
 277 \$100,000,000, or something like that—but I wanted a foundation on which we could get \$200,000,000 or \$300,000,000. As it turned out, we did not build it big enough. We built the credit big enough, we laid the foundation of tangible assets so strong that, if it had not been for this suit, we could probably have had another \$50,000,000 or \$100,000,000 in the business.

We have borrowed in London and Berlin and Holland over \$90,000,000, that has been brought to this country and paid out in wages and materials and put into machinery that has sold in Europe. If my vision was wrong about this, if it could have been done some other way, well and good: but it was my conception of how to do it; and I took the best, the most business-like and honorable methods to accomplish it; and I did not believe, and I do not believe today, that it could have been done if I

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had picked up Mr. McCormick's suggestion and lent him five or ten or twenty or thirty millions dollars.

I studied in a general way the history of the McCormick business in the ten years preceding the purchase by my company. I did not know that from 1892 to 1902 the McCormick Company had expanded at a rate even faster than the International Harvester Company has since 1902, and I do not think that can be so. I do not know that the book value of the assets increased in the 12 years preceding 1902 from \$12,500,000 to over \$50,000,000. If that is true, I certainly must have bought the property pretty cheap.

*Percentage of Domestic Business Not a Factor.*

278 I have no recollection of a committee which reported to the directors of the I. H. Co. that the five properties mentioned in Mr. Lane's offer are the most important in their line of business in the United States, and that each of them has for several years enjoyed a prosperous, profitable and growing business.

I did not understand that the five companies which the International was acquiring were the most important in their line of business in the U. S. I knew there were other very important companies. I did not know that in the great grain-growing sections of the Middle West, these five companies did from 80 to 90 per cent. of the business in harvesting implements. I knew they did a very large business, but the exact percentage was not a factor in what I was doing.

*Capital Represented by Cash and Appraised Properties.*

279 It is not a fact that the only new capital put into the harvesting business through the organization of the I. H. Co. was \$10,000,000. I do not agree that \$26,000,000 and more was issued to the McCormick interests for the properties acquired from the McCormicks. We appraised the properties that the I. H. Co. acquired; the appraisements were scaled down and scaled down until, in my judgment, they were worth a great deal more money than the I. H. Co. acquired them for; and it acquired them for the exact final appraised value, and the stock issued for that purpose was better than a gold dollar in its value, in my judgment. That amounted to something like \$60,000,000. The other \$60,000,000 was issued at par,

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for cash, paid in in real American money, without commission of one cent or a discount of one cent to anybody, without any underwriting syndicate of any shape, form or kind. \$60,000,000 of the \$120,000,000 capital went for properties--appraised properties; the other \$60,000,000 for cash.

*New Capital in Harvesting Business Through I. H. Co.*

The McCormicks kept their receivables and collected them, and took the new stock and paid for it in money. I do not remember what security the I. H. Co. took. I do remember that \$60,000,000 was issued for cash and taken by a great many different people. What security we took to secure the payments has nothing to do with the fact. I do not remember whether the McCormick family  
280 put in over \$20,000,000 of that \$60,000,000 cash. I know that we, through Morgan & Co., took about \$20,000,000, and everybody wanted all they could get. Stock was immediately at premium. I do not remember whether the Deerings took \$16,000,000 of that \$60,000,000, cash stock. Everybody took all they could get. I really don't remember whether the Plano people took \$4,000,000 out of the \$60,000,000 cash stock.

Morgan & Co. furnished about \$20,000,000 of new capital that was not already in the harvesting business. Do not see your point. If man sells piece of property across the street and decides next day he wants to retain an interest in it and can get it, because of some great improvement he finds is going to be made in that property, that is still putting new money into that property.

Whether of the \$20,000,000 subscribed by Morgan & Co., \$9,000,000 was taken by the Deerings and McCormicks;  
281 no, sir, not that I recollect. I took all the stock in the I. H. Co. I could afford to buy, or that I could in any way arrange to get, and I still have it. I got none of the \$3,000,000 stock taken by Morgan & Co. as their commission, except, of course, as it was a firm transaction, whatever my percentage was, as it contributed to the profit I ultimately got.

*I. H. Co. Stock Holdings of George W. Perkins.*

I did not deposit with Morgan & Company the stock which I took, under an agreement, providing that a certain per cent. should not be sold pending the voting trust?

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From that day to this I have had larger percentage of my private fortune in this investment than in any other, because I have believed absolutely in the plans I started to develop that this would be a successful and creditable enterprise. I still maintain that view. I do not know that my stock has ever been transferred to my name. Will be glad to give counsel my holdings personally, apart from the firm. I received no percentage of the \$3,000,000 issued to Morgan & Co.

## IV

395 Petitioner's Exhibit 299.—Letter from Geo. W. Perkins, to E. A. Bancroft, dated July 3rd, 1913, as follows:

“In the matter of my holdings of Harvester stock, Mrs. Perkins, my daughter, my mother's estate and I are all holders of Harvester stock, and the aggregate amount of such holdings in round numbers, is 35,000 shares of the common stock and 5,000 shares of the preferred stock.”

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283 Mr. PERKINS: I have been Chairman of the Finance Committee of the I. H. Co. since its organization, and one of its voting trustees until the expiration of the voting trust about a year ago. I do not know whether the company, or any of the other voting trustees preserved any record. The only action we ever took,—or could have taken—was to nominate directors. We had no power in the company's management after we had selected the board. The board then took up the work of the company and acted independently.

*Trading in the Largeness of the Future.*

284 I do not recollect that I said just when we acquired the Osborne Co. I had part in the negotiations. I was not aware, as I recall, that it was the largest independent company outstanding. My judgment would be that Adriance-Platt and other companies were doing about the same business. The Osborne Co. was doing foreign business and had other lines that would help round out an all-year selling organization such as we wanted very much to establish.

I was not familiar with the harvesting business in 1902 and 1903 as were Middlekauff, Glessner, Jones or Swift. If their testimony as to the size of the Osborne Co. dif-

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fers from mine, I certainly would yield to their judgment; but that does not make it true that I knew what their judgment was at that time. The question of what had been was not interesting me so much as what was going to be. It was the largeness of the future I was trading with, and whether a company was doing \$8,000,000 or \$8,700,000 of business was not a basis of the enterprise contemplated.

(Being shown agreements of July 28, 1902, providing that Lane was to transfer the properties "to a corporation now existing or hereafter to be organized under the laws of the State of Illinois or other state"): I do not remember why we chose New Jersey as a place of incorporation instead of Illinois, if I knew at the time.

285 I would not say that was a matter altogether decided by attorneys; it was probably decided in general conversation. I do not remember that it was called to my attention that the consolidation of the principal companies doing a certain line of business had been decided to be unlawful under the anti-trust laws of Illinois. I do not remember that the question that we were attempting anything unlawful arose at all; I can't imagine how it should have arisen.

I have not preserved the original letter from Cyrus McCormick introducing Middlekauff. I suppose a half million letters of introduction have passed through my hands; never pretend to preserve them all.

286 I think in 1902 I was Chairman of the Finance Committee of the New York Life; also I think a director in the National City Bank, the National Mercantile Marine Co. (if then organized) and the Northern Securities Co.

Petitioner's Exhibit 288.—Subpoena, dated June 18, 1913, requiring George W. Perkins to appear on June 19, 1913, before Examiner and testify on behalf of Edgar A. Bancroft in the present case.

Petitioner's Exhibit 289.—Similar subpoena requiring same witness to appear at same time and place and testify on behalf of International Harvester Company.

## XIV

*Original Stock Subscriptions.*

170 Table showing the original subscription of the \$120,000,000 capital stock of the I. H. Co., offered by petitioner as follows:

|                               |                 | Plant Stock.    |                 |
|-------------------------------|-----------------|-----------------|-----------------|
| J. P. Morgan & Co.:           |                 |                 |                 |
| Commission . . . . .          | \$ 3,000,000.00 |                 |                 |
| Less contribution to Cham-    |                 |                 |                 |
| pion and Plano Com-           |                 |                 |                 |
| panies . . . . .              | 42,857.14       |                 |                 |
|                               | <hr/>           |                 |                 |
|                               | 2,957,142.86    |                 |                 |
| Milwaukee Harvester Co..      | 3,000,000.00    | \$ 5,957,142.86 |                 |
|                               | <hr/>           |                 |                 |
| McCormick interests:          |                 |                 |                 |
| Original allotment . . . . .  | 26,321,656.86   |                 |                 |
| Less contribution to Cham-    |                 |                 |                 |
| pion and Plano Com-           |                 |                 |                 |
| panies . . . . .              | 59,142.86       | 26,262,514.00   |                 |
|                               | <hr/>           |                 |                 |
| Deering interests:            |                 |                 |                 |
| Original allotment . . . . .  | 21,362,554.64   |                 |                 |
| Less contribution to Cham-    |                 |                 |                 |
| pion and Plano Com-           |                 |                 |                 |
| panies . . . . .              | 48,000.00       | 21,314,554.64   |                 |
|                               | <hr/>           |                 |                 |
| Plano interests:              |                 |                 |                 |
| Original allotment . . . . .  | 2,193,603.09    |                 |                 |
| Plus contributions from       |                 |                 |                 |
| other interests . . . . .     | 75,000.00       | 2,268,603.09    |                 |
|                               | <hr/>           |                 |                 |
| Champion Interests:           |                 |                 |                 |
| Original allotment . . . . .  | 3,372,185.91    |                 |                 |
| Plus contributions from       |                 |                 |                 |
| other interests . . . . .     | 75,000.00       | 3,447,185.91    |                 |
|                               | <hr/>           |                 |                 |
| Organization expenses (ex-    |                 |                 |                 |
| cluding Milwaukee com-        |                 |                 |                 |
| pany and incorporators'       |                 |                 |                 |
| stock):                       |                 |                 |                 |
| Sold . . . . .                | 611,803.34      |                 |                 |
| On hand . . . . .             | 138,196.16      | 749,999.50      | \$60,000,000.00 |
|                               | <hr/>           |                 |                 |
|                               |                 | Cash Stock.     |                 |
| J. P. Morgan & Co.:           |                 |                 |                 |
| Cash . . . . .                | \$9,940,000.00  |                 |                 |
| Incorporators . . . . .       | 60,000.00       |                 |                 |
| Milwaukee excess . . . . .    | 148,196.66      | \$10,148,196.66 |                 |
|                               | <hr/>           |                 |                 |
| McCormick interests:          |                 |                 |                 |
| Original subscription . . . . | 20,000,000.00   |                 |                 |
| Subsequent subscription . .   | 4,886,190.13    | 24,886,190.13   |                 |
|                               | <hr/>           |                 |                 |
| Deering interests:            |                 |                 |                 |
| Original subscription . . . . | 16,000,000.00   |                 |                 |
| Subsequent subscription . .   | 3,965,613.21    | 19,965,613.21   |                 |
|                               | <hr/>           |                 |                 |
| Plano interests . . . . .     |                 | 4,000,000.00    |                 |
| Champion interests . . . . .  |                 | 1,000,000.00    | \$60,000,000.00 |

XIV

*New Capital Invested.*

160 Deft's Exh. 225—List of Original I. H. Co. Stock-owners (other than Stockholders of Vendor Companies) to whom were issued Stock Trust Certificates for following number of shares:

|                                                                                                                                      | Shares         |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|
| J. P. Morgan & Co. paid in cash \$13,500,000 and received for this sum and for services and cash paid for organization expenses..... | 167,522        |
| (Trust certificates for the above issued to George D. Rogers and William A. Merrick.)                                                |                |
| William A. Hamilton (for cash payment to Champion Company and on account of Champion subscription, each \$1,000,000).....            | 20,000         |
| E. H. Gary .....                                                                                                                     | 5,000          |
| E. L. Wagner .....                                                                                                                   | 50             |
| F. W. Crosby .....                                                                                                                   | 300            |
| A. G. Becker .....                                                                                                                   | 6,000          |
| D. V. Webster .....                                                                                                                  | 100            |
| F. C. Van Ness .....                                                                                                                 | 150            |
| John R. Lindgren .....                                                                                                               | 500            |
| George D. Boulton .....                                                                                                              | 200            |
| 161 R. J. Street .....                                                                                                               | 100            |
| August Blum .....                                                                                                                    | 100            |
| Edward Dickinson .....                                                                                                               | 350            |
| J. B. Forgan .....                                                                                                                   | 600            |
| D. R. Forgan .....                                                                                                                   | 750            |
| W. J. Watson .....                                                                                                                   | 500            |
| Arthur B. Jones .....                                                                                                                | 150            |
| H. A. Haugan .....                                                                                                                   | 700            |
| Thomas Templeton .....                                                                                                               | 250            |
| Ernest A. Hamill .....                                                                                                               | 1,000          |
| A. A. Carpenter .....                                                                                                                | 500            |
| R. W. Sears .....                                                                                                                    | 200            |
| A. C. Bostwick .....                                                                                                                 | 100            |
| A. Boswick .....                                                                                                                     | 100            |
| John G. Davies .....                                                                                                                 | 125            |
| Percival V. Palmer .....                                                                                                             | 50             |
| J. P. Lyman .....                                                                                                                    | 100            |
| J. C. Neely .....                                                                                                                    | 250            |
| D. A. Moulton .....                                                                                                                  | 300            |
| Total                                                                                                                                | 206,047        |
|                                                                                                                                      | [\$20,604.700] |

## WARDER, BUSHNELL &amp; GLESSNER CO. (CHAMPION).

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439 JOHN J. GLESSNER (witness for petitioner):

I have been in the harvester business since 1863. I began with the predecessors of the Warder, Bushnell & Glessner Company at Springfield, Ohio, founded by Benjamin H. Warder.

440 I think the word Champion was first used in 1868 or 1869 and thereafter continuously. Champion, McCormick, Deering, Plano, Milwaukee and Osborne are old and well-established names in the harvester business. Deering goes back to about 1875; McCormick to 1849; Plano and Milwaukee some years; Osborne, along in 1860. The oldest name is McCormick, Osborne next and then Champion.

441 In 1902 the Warder, Bushnell & Glessner Company was an Ohio corporation with branches and warehouses scattered generally over the United States. We shipped from the factory to the warehouses and often directly to the retailer. These harvesting implements were very largely sold on a commission agency basis. Farmers' notes were generally taken by us, though sometimes the dealer would take them and settle with us.

*Sale of Champion Property.*

I do not understand that in 1902 my company went into the consolidation of a number of manufacturers known as the I. H. Co. I sold the property of my company 442 to Mr. Lane who subsequently transferred it to the I. H. Co. My company did not join the I. H. Co. I had no expectation that Mr. Lane was going to carry on the business. I suppose that he was a sort of conduit.

*Negotiations with Perkins.*

About the middle or the latter part of July, I first heard talk of a proposed consolidation of the harvester business. I sold out my business by signing preliminary contracts the last of July and executing deeds in August, 443 1902. I should say that I first began to consider the idea the first week in July. George W. Perkins telegraphed the president of my company, Governor Bushnell, in Springfield, asking if he would come to New York and



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discuss the sale of his property. Governor Bushnell telegraphed me to meet him. The telegram did not mention to whom the sale was to be made. I did not know Mr. Perkins but I think Governor Bushnell did. I knew he was not engaged in the harvester business.

I went to New York with Governor Bushnell and we saw Perkins in Morgan & Company's office some time between the 2nd and 5th of July. We stayed in New York two or three days. We returned soon. I was in and out of New York almost every week of that July.

444 At the first meeting, Mr. Perkins asked Governor Bushnell whether he was willing to sell his business. The Governor intimated to me that I should do the talking; he was a sick man and said he could not stay in New York and take part in these negotiations. I told Mr. Perkins I was willing to sell, if I could get what I thought was a fair price. That was practically all that happened at that meeting.

*Saw None of the Other Manufacturers.*

I think that Governor Bushnell and I were together. We stopped at the Waldorf-Astoria. When I was there myself I was at the Holland House. I did not see any other of the manufacturers. I understand Mr. Jones said I met him on the street but I have no recollection of it. During July, I saw Mr. Perkins at other times in relation to the sale of my business. I did not see any one else about it. I simply told Perkins what I thought the property was worth and what it would produce. I submitted  
445 no figures of the earnings or inventories. I believe he appointed some one to examine our books, but I do not think it was during July. The accountants were Jones, Caesar & Co.—now Price, Waterhouse & Co. At the other conferences with Mr. Perkins very little transpired. I do not really recall anything different from what happened in the first interview. For the sale of the property we received stock in a large measure, but we also received cash.

I knew that the business was to be transferred to a new company, and I agreed to take stock in that company. I  
446 was told what the property of that corporation was to be; that there would be ample capitalization and a part of it would be actual cash. I think I was told its capital would

be \$120,000,000. I knew, of course, if they bought my business they would be engaged in the harvester trade.

My stockholders embraced two estates that had very large interests in the business. I had to consult those estates. The Benjamin H. Warder estate was represented by the American Security & Trust Company in Washington, and the president of that company said that, while he was authorized under the will to continue the estate's interest in the Champion Company, he was not authorized in the will to continue it in any other business. Therefore, I found difficulties in my negotiations for sale. So I arranged to buy the interests of the Warder estate in our company myself, which I did. Afterwards I bought the other estate on the same terms. That made it necessary for me to have a large amount of cash from the sale. A little more than half the consideration I received was stock in the new company. Practically all the cash I received, I turned over to pay for these interests and to pay other debts of my own and the company's.

*Perkins' Plan—Strong Company for Foreign Trade.*

447 I did not know what properties the Harvester Company and its organizers were trying to acquire. I made no inquiry about it. I thought, as Mr. Perkins told me, we were to have a strong company amply capitalized so that the company could be increased in the place where it could make money. In other words, so that we could enter largely in the foreign trade, which was virgin for all the harvester companies. None of the companies in existence at that time had sufficient capital properly to enter that trade. I did not know who would go into the company at all. Perkins did not say the company was to be strong in harvester lines; he said a strong company. I had never met Perkins before.

448 I intended to take the stock as he represented it to be. If it was not as represented the trade was off. I knew who was going in on July 27th; that is I practically knew it. I knew on July 28th exactly because I was present when the contracts were signed. I signed my contract at the same time the others signed theirs in Cravath's office. Charles Deering, Cyrus McCormick, William H. Jones and, I think, Richard F. Howe were there.

That was the first paper I signed. I had not bound myself in any way legally before that. I think all these

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contracts were signed in the presence of all of us. I got the first draft of the contract I signed very shortly before  
 449 July 28th. No lawyers represented me in this transaction. I met Mr. Cravath. I suppose the arrangement of transferring to Lane and then to the new company was for convenience.

I have no recollection of a meeting in New York on August 12th. There was no question with me as to the legality of the consolidation. I do not know who devised the arrangement for a transfer to Lane and a second transfer to the new company. After I agreed to dispose of my business, I followed out such procedure as was necessary to carry out the agreement.

*Glessner Did Not Know He Was to Be a Director.*

I have been an officer and director of the Harvester  
 450 Company and on the Executive Committee,—Chairman for a time.

I did not know when I sold out my business that I was to remain in the harvester trade. I imagined Mr. Perkins would not carry on the business unless he had somebody who had had experience, but I did not know whether I was to be in it or not. I would not have been disappointed had I been left out. I considered that Mr. Perkins was forming the new company; that he was forming it for the stockholders, the men he sold stock to.

451 It seems to me that I was present at a meeting in Mr. Cravath's office on August 13, 1902, and that the incorporators resigned and the various manufacturers stepped in as directors. I was asked to be there; it might have been by Mr. McCormick, Mr. Deering, Mr. Howe, Mr.  
 452 Jones, Mr. Perkins, Mr. Lane, Mr. Dennis or Mr. Cravath. I first met Mr. Lane on July 28th. The only papers I retained were such as were turned over to our counsel at the time of the trial in Missouri. I kept no personal memoranda.

*Voting Trust to Secure Steady Business Policy.*

I think it was stated that the stock should be tied up in a voting trust as part of the original contract; at any rate it was the original understanding. It was for the purpose of making a continuing management and policy during the early years of the business. This question was discussed when the contract was first considered, I

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think the day before I signed it. The provision for voting trustees, I think, was talked over the first day I saw  
 453 Mr. Perkins. He said he wanted to buy and I said I was willing to sell, and in the discussion of the methods he said he should want to pay for it by the stock of a very strong company; and that to insure a steady policy in the conduct of that company, there should be a voting trust. No mention was made as to who would be the owners of the stock that would be brought within this voting trust. I had no idea who the voting trustees would be. I learned first about the time the contract was signed. Perkins never discussed with me who would be the voting  
 454 trustees. I was to take stock and was interested in who were to be the trustees. I first asked who they would be when the contract was signed. I do not think I asked before. Had they asked me to be one I should have accepted.

*Glessner's Reasons for Wishing to Sell.*

The suggestion that I should be a vice-president was made the day I was elected. I was willing to be a vice-president but had no agreement to that effect, and do not  
 455 think I expressed any willingness to be. I am not certain that I did not. I may have told Mr. Perkins that I would be glad to be a vice-president but I do not think I did. I was eager to sell my business. Those estates were a great burden to me. Mr. Bushnell was incapacitated and had left the entire burden upon me. Until Mr. Warder and Mr. Bauer died they loaned us their personal credit. When they died their estates could not do that, and it left the burden of financing the business upon me, as well as of carrying it on.

*Perkins Named Company and Selected Officers and Directors.*

My interest in the I. H. Co. was never anything more than the stock I held. I took this stock in payment for the property without knowing who were to be the proposed officers and directors. Mr. Perkins  
 456 said he would select the officers as well as select the name of the company. He did not mention to me whom he was considering as officers until the day they were elected.

I do not remember that the agreement of July 28th provided the company might be organized under the laws of

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Illinois. I do not know why it was incorporated in New Jersey. No cases decided by the courts of Illinois were brought to my attention.

I do not think either I or the other manufacturers signed any agreement on July 28th except the one with  
 457 Lane. I do not think any other forms or contracts were submitted for my signature that day. I think Judge Gary was present at that meeting on July 28th. I think I took the contract I signed away with me that day. I did not  
 458 make Judge Gary custodian of any paper. I do not know whether any of the other persons present signed any other papers than the contract of July 28th. I believe Mr. Bentley and Judge Gary were there besides Charles Deering, Cyrus McCormick, William H. Jones and myself, and Mr. Cravath. I do not recall whether prior to July 28th, a draft of any other form of agreement than that which I signed with Lane was submitted to me. I do not think I discussed signing any other agreement than that of July 28th.

Except for the interview I mentioned with Governor Bushnell, no one else of our company had any negotiations with Mr. Perkins. I saw no one except Mr. Perkins  
 459 in regard to it until July 28th. I do not think that there was submitted at that meeting another contract which each of the manufacturers signed. I did not keep a copy of any agreement for the supply of working capital to the company which you say is referred to in Mr. Lane's proposal made to the company.

461 Prior to 1902, the business of the Warder, Bushnell & Glessner Company had been profitable. In 1902 accountants Jones, Caesar & Company, appointed by Mr. Perkins, examined its books. They did not give me any record of what they found.

### *Reasons for a Separate Selling Company.*

I think I was present at meetings of the Executive Committee and directors of I. H. Co. in the latter part of 1902. I recall a discussion relating to the adoption of the selling agency. This was created before they began  
 462 selling. The capitalization of the America Company was \$1,000,000 and of the I. H. Co. \$120,000,000. The laws of some states prevented a corporation of \$120,000,000 from doing business within their borders. That was the principal reason we adopted the selling agency. All the stock

of the selling company was held by trustees for the stockholders of the I. H. Co.

I do not think the selling company has ever paid dividends. The two companies have not the same officers or directors now. Originally they had the same officers but not the same directors. The offices have always been in the same building. The selling company's only business was to sell the I. H. Co.'s product and such other things as were necessary to do a business throughout the country.

463 I do not know on what basis the prices at which the products were sold by the I. H. Co. to the America Company were fixed. I do not know that there was any intention of keeping down the profits of the America Company. I know the America Company invested very considerable sums of money in building warehouses throughout the country. The I. H. Co. has paid dividends and laid up a considerable surplus.

The Champion Company sold a portion of its output to a selling company which we owned; in several states  
464 where taxation laws were against us we had a plan drawn up by which we would sell all of our output that way. This was not carried out.

In 1902 the McCormick and Deering Companies were the largest; then the Champion; the Osborne; then the Plano and Milwaukee; the Johnston; Wood, Adriance-Platt, Richardson, Emerson and Acme. I do not think the Emerson made a binder. They made a binder at one time but it was not successful. The Richardson Company is located at Worcester, Mass. They make mowers and reapers. Their trade was largely in the East.

465 I had no talks with Judge Gary in regard to selling out my business in July, 1902. I did not pledge any of my voting trust certificates with Morgan & Co. after the Harvester Company was formed. I do not think that I knew that large deposits were made by the Deering and McCormick stockholders. I do not recall a provision in my contract of July 28th that such deposit might be made.

### *Capitalization and New Capital.*

The International Harvester Company had a capitalization of \$120,000,000. \$60,000,000 of that was issued for the properties acquired and for services of the pro-

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motors; \$60,000,000 for cash, of which \$40,000,000 went to the McCormicks, Deerings and Plano. The other \$20,000,000 represented cash put in by persons who had never been in the harvester business. I do not know who these persons were but I do know that their stock was put in  
 466 the voting trust.

I knew about the end of July that Mr. Middlekauff had acquired the option on the Milwaukee plant.

#### DEERING HARVESTER COMPANY.

II

146 RICHARD F. HOWE (witness for petitioner):

I live in Morristown, N. J., and was one of the partners of the Deering Harvester Company. The others were Charles and James Deering. We were selling binders, mowers, headers, rakes, corn binders, shredders, gasoline engines in a small way, binder twine, and perhaps corn pickers in an experimental way. Our leading competitors were the McCormick, Osborne, Champion, Plano, Johnston, Adriance-Platt, Walter A. Wood  
 147 and the Acme Company, and perhaps some others that I do not recall.

#### *Negotiations with Perkins for Sale of Deering Property.*

As one of the partners, I executed a contract with Lane on July 28. I first went to New York in connection with the negotiations which resulted in the sale of our business either the last of June or the 1st of July.

When I went to New York, George W. Perkins wanted to know if we would consider selling our business to a new corporation to be formed by him or Morgan & Company. In a general way when I went to New York I knew I was going in connection with that matter. On the first trip there was very little discussion and I went alone. I saw no one except Mr. Perkins. I had never met him before.  
 148 I do not know how the invitation was extended. He may have telephoned or he may have written. I do not think any of my partners knew him.

I told Mr. Perkins we would be interested in considering such a proposition if the company was formed on conservative lines. I understood that the plan contemplated the purchase of other businesses of the same gen-

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eral character. I was in New York not longer than two days, perhaps only one. I returned to Chicago and reported to Charles Deering—James Deering was in Europe.  
 149 I doubt if I stated to him that the plan was to purchase other companies than ours. He was as familiar with that idea as I was. My idea the whole time was that the new company was to purchase a number of businesses.

*We Saw No One but Perkins.*

I went back within a few days, Charles Deering with me. We saw no one but Perkins. My recollection is that I stayed in New York until July 28. Mr. Deering and I stopped at the Waldorf-Astoria, and had frequent meetings with Perkins during that month, at which we discussed the different propositions which would naturally come up in the selling of a business to a corporation to be formed. I cannot say that he stated to me the names of other manufacturers he was endeavoring to bring in  
 150 but I knew pretty well who they were to be. I inferred that the others were in New York because we were discussing the formation of this new company which was to include others. Perkins would suggest things we would have to consider and we would suggest things he would have to consider. I daresay he had to consider some of these things with others. My impression is he so stated at the time. I do not know that he took the different propositions around between the different manufacturers in the endeavor to get one proposition on which all should agree; but of course he had to get them all to agree in the sense of all agreeing to sell if he bought them all.

I think the contract of July 28, 1902, was signed in Paul Cravath's office. The details of the arrangement had been argeed upon by my partners and myself before we went  
 151 down there to sign, and our visit was simply to execute the contract. I do not recall anybody who was present. My impression is there were no other manufacturers there. I understand that Petitioner's Exhibit 62 (contract dated July 28, between the Deering Harvester Company and Lane) was the contract we executed that day.

I have no recollection of any other paper relating to the sale of our business being signed. I cannot state whether there was or not. I have no recollection of it. There may have been a paper deposited with Judge Gary but I do not remember of such a paper.



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*Lane a Convenient Instrument of Transfer to New Company.*

152 I did not know W. C. Lane at all. I understood he was simply a convenient instrument and that he was to convey to the new corporation. I understood this method of transfer was advised by the attorneys. I think it was stated that that would be a legal way of acting.

I have no doubt there was reference made to the Sherman anti-trust law, but I have no recollection that the attorneys ever said to me that, as far as that law was  
153 concerned, this transfer would accomplish the sale in a legal way. I have no recollection that this subject was ever discussed between myself and Mr. Perkins. Max Pam was my attorney in this transaction.

*Voting Trust to Secure Continuity of Management.*

I do not know who originally proposed having voting trustees. The purpose was to have a continuity of management for ten years. I understood before the contract of July 28th was executed there were to be three voting trustees,—a representative of the McCormick family, and of the Deering family, and of Morgan & Company. This discussion of three voting trustees came up with Perkins  
154 some time before July 28th. There was never any question about the Deerings having a representative as a voting trustee. I expected that the McCormicks would have one.

The matter of electing or selecting officers was not considered before July 28th. I left New York on July 28th and did not return until after the officers were named. I think Mr. Charles Deering remained in New York.

155 Throughout the discussion it was suggested that we should take stock as a consideration for the transfer of our property.

156 I had no negotiations in New York with any one except George W. Perkins. For a number of years I was secretary and treasurer of the I. H. Co., until the fall of 1911.

#### PLANO COMPANY.

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WILLIAM H. JONES (witness for petitioner):

38 In 1902 I was President of the Plano Manufacturing Company, located first at Plano, later at West Pullman. We made binders, mowers, headers, shredders, huskers

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39 and hay rakes. We sold these implements mostly in the United States but in many states we did not sell at all. We did not care to spread out more. The capitalization of the company was \$500,000. Our principal competitors were the Deering, McCormick, Champion and Milwaukee. We only sold a little in the East. In this country we sold entirely through retail dealers except in far western states.

*All Negotiations with George W. Perkins.*

In July, 1902, we contracted with W. C. Lane to sell the business. When the thing ended up I knew the understanding was that he was to sell to a new company. About July 1, I received a telegram or letter from Elbert H. Gary from New York, requesting me to come there. I went. He introduced me to George W. Perkins in Morgan & Company's office. Perkins wished to know if we were willing to sell. It was not then explained to me to whom he wished us to sell. I said I would sell on any fair basis. Silas Llewellyn, another officer of the company, was with me. I stayed in New York for a while and saw Perkins again. He asked more about the business. I think I stayed there until July 28th. I went there about the 5th. Probably I saw Perkins fifteen times.

When I finally sold I took stock in the new company. That is the only consideration I received. I do not think this taking of stock was mentioned at the start but later on he told me. I knew Perkins was trying to get other companies. I did not know at first who they were but finally I did—a few days before I signed the contract of July 28th. I think I signed that contract at Mr. Cravath's, a lawyer's office. Cyrus McCormick, Charles Deering, J. J. Glessner and W. C. Lane were present. I do not think Perkins was. I probably have the old contract but I have not got it here. I do not believe Perkins submitted different drafts of the contract before I agreed upon its final form. Everything was arranged orally with him. I discussed the different details of the contract at conferences I had with Perkins. I had no negotiations with Lane and first saw him when the contract was signed. I had known Mr. Gary a long time. He did legal work for the Plano Company, which bought steel from the U. S. Steel Corporation.

My recollection is that Perkins did not say he had an

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option on the Milwaukee plant until a day or two before the contract was signed, but I knew they had wished to sell for years.

I did not know until the last few days that these larger companies were going into the deal. I supposed that a new company would be organized but I was never told so. I did not suppose Lane wished to buy my business though I did not know. The I. H. Co. was not organized until two weeks after the contract was signed. After signing the contract, I came right home. Later I returned to New York and was there when the International was organized. I think that day I signed the deed to Lane transferring the property.

I never knew who the three appraisers were who placed an estimate on the value of my property. I subscribed for a certain amount of stock besides what was coming from the Plano property. This I sold to friends of mine. I did not pay for this by assigning bills and accounts of the Plano Company but in cash. I am not sure that I knew on July 28th that the stock was to be placed in the hands of three voting trustees. I never discussed that with Mr. Perkins until later. I do not remember noticing that provision in the contract. I received voting trust certificates and not stock. I had nothing to do with the selection of the three voting trustees. At the last I knew who they were to be but I did not know when I signed the contract on July 28th. I deposited none of my voting trust certificates with Morgan & Company. Whether the stockholders of the other companies did or not I do not know.

*Jones Did Not Know He Was to Be a Director.*

I did not know I was to be a director when I signed the contract. The reason I came on August 12, 1902, was because I was asked to. After we sold out, I continued for a time to direct the factory and plant but I do not remember whether I was asked to or not. Some time in August I was elected Vice-President, a director and member of the executive committee of the I. H. Co. I continued in charge of the Plano plant exactly as before for nearly a year. I am a Vice-President but not an active manager. Have been out of active work six or seven years. During the three or four years when I was active, I had charge of certain matters relating to the experimental, traffic and patent departments.

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When I signed the contract on July 28, I did not know, though I supposed, that the other companies represented by McCormick, Deering and Glessner were receiving stock in the new company in consideration of their transfers. I could not tell you who subscribed the \$20,000,000 of new interests that came into the company.

O. W. Jones is my brother. He was interested in the Plano Company and is now in St. Louis. The first time I conferred with Mr. Perkins, Llewellyn was there. When I went on the second time, my brother went with me. Archer Brown was a Plano Company director. He is not, and has never been, an official of the International. I do not think he was at any of the conferences with Perkins but he was there when I signed the contract. Llewellyn was present at some conferences in July but not at all. I had no talks with Gary about the consolidation. He invited me to come to New York and said it was important.

I never attended any of the stockholders' meetings of the Harvester Company. Its stock was held for ten years by voting trustees. I do not think the purpose of placing the stock in trust was discussed before I signed the agreement.

*Cross-Examination.*

I began in the harvester business selling machines to farmers at Berlin, Wis., in 1866. Since then, until I retired, I was continuously in the business and knew how the different companies were carrying on the business. In 1902 the competition was about as severe and mean as it could be. If one man sold a machine, the agent of another man would go to the purchaser and break the order. It was no business at all but a regular cut-throat warfare which made selling expenses heavy. Prices to the farmer depended on the local agent. Some cut prices worse than others. What the farmer paid for a machine depended upon how shrewd he was. That condition started about 1884 or 1885 and constantly grew worse.

*Jones Knew Terms of No Contract Except His Own.*

When I was negotiating with Perkins for the sale of the Plano Company, I did not until just before I signed know who the other people were with whom he was negotiating. I did not know the terms of anyone's contract except my own. I never sold the Plano receivables

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to the new company nor were they ever pledged as security for my stock subscriptions. I paid for the stock  
52 for which I subscribed in cash.

There was no arrangement or understanding with me as to who were to be either the directors or officers of the new company.

*Re-direct Examination.*

The demoralization of the business in general induced me to sell in 1902. Before the contract was signed, I knew who were going into the new company. Otherwise I would never have signed it.

183 SILAS J. LLEWELLYN (witness for petitioner):

Am President of the Interstate Iron & Steel Company and Chicago Malleable Castings Company with offices in Chicago.

In the summer of 1902, I was Vice-President of the Plano Manufacturing Company. I had charge of the  
184 manufacturing and was a stockholder. My part in the negotiations resulting in the sale to William C. Lane was secondary. I went to New York with Mr. Jones, the President, somewhere about July 4th. Mr. Jones and his brother O. W. Jones, asked me to go because of a message from Judge Gary requesting Mr. Jones to come. There was no purpose indicated in the message. We went the same day.

*Perkins' Objects—Foreign Business and Economies.*

185 When we reached New York, we called on Judge Gary, who told us something of George W. Perkins trying to do something with the harvesting machine business. After telephoning Mr. Perkins, he took us over there immediately and we talked about the harvester business. Perkins had an idea it could be vastly improved, that a great deal more money should be put into it to enlarge the foreign business, to standardize the manufacture, save the crossing of freights and all the things that promoters generally talk about in such a way. I do not think anything was said about consolidation. Perkins wanted to know if we would take part in or sell out our company to this company he was talking of. Nothing definite that I can recall was said about other companies engaged in

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the harvesting business also selling out to this new company. The economic savings were something I could not tell about because they were in Mr. Perkins' mind. I understand since they have been accomplished.

*No discussion with Other Manufacturers.*

My recollection is that Mr. Jones said if things were so and so and so and so, with all the preambles that everyone puts in, he might be induced to dispose of his property. We had several more conversations with Mr. Perkins. We were stopping at the Holland House. No other manufacturers of harvesting machines were stopping there. In passing through to see Mr. Perkins, I once saw Mr. Glessner sitting in Mr. Morgan's office. We had no conversation with Mr. Glessner about the subject-matter. I have an impression that I saw Charles Deering and Mr. Howe on the street but I had no discussion with them about this matter. I was in New York until the end of July. We were waiting at Mr. Perkins' suggestion. The contracts were signed the latter part of July. I was present at the meeting when they were signed in Mr. Cravath's office. Some of the other manufacturers of harvesters were there; I remember a Mr. Lane and the lawyers and ourselves, but I cannot recall the others positively. I never met Mr. Lane before. I did not sign the contract with Lane. I presume Mr. Jones signed it but I do not recall seeing him sign it. I doubt whether the Plano contract was signed in the presence of all these gentlemen. It was a hurried up affair and it has not impressed itself upon me very strongly.

*Who Should Be Officers of New Company Not Mentioned.*

In our conferences during that month we were discussing the terms under which our property should be sold as well as the advantage of the new company. Who should be the officers of the new company was not mentioned in my presence. I do not recall any suggestion that I should take stock of the new company in payment. As a matter of fact, I did not receive any other consideration.

In 1902 the largest companies in the harvesting business were the McCormick, Deering, Plano, Wardner, Bushnell & Glessner, Milwaukee, Acme, Johnston, Adriance-Platt, Walter A. Wood, Osborne, Aultman-Miller and Minnie.

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We had no conferences except with Mr. Perkins alone. I do not recall hearing Mr. Perkins say that he  
 190 had an option on the Milwaukee plant. I cannot say when I first saw a draft of the proposed agreement with Mr. Lane.

I am a stockholder of the Harvester Company but have never attended any meetings. My stock must have been deposited with the three voting trustees. I have no knowledge of signing any agreement with J. P. Morgan & Co. on or about August 12th or 13th, 1902, which related in  
 191 any way to voting trust certificates. I may have deposited stock trust certificates about August 12th or 13th with Morgan & Company but I cannot recall. This is ten years old. I have not thought about it or looked up any records since. I am in another business. I destroyed all papers relating to the matter.

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520 O. W. JONES (witness for petitioner):

I am collection agent for the International; before 1902  
 521 was with the Plano Company and owned a small part of it. There were perhaps 40 stockholders. I was secretary and treasurer.

I went to New York in the summer of 1902 with W. H. Jones. The occasion was to sell the business of the Plano Company to William C. Lane. I did not know him and did  
 522 not know we were going to sell when I went down. W. H. Jones, my brother, asked me to go. He said the purpose was to sell the Plano Company.

*Negotiations with Perkins Regarding Plano Co.*

When we got to New York we saw George W. Perkins at Morgan & Company's office and various other places. This was not the first trip my brother had made. He and Llewellyn left Chicago soon after July 4th. They went down on the strength of a telegram from Judge Gary. I  
 23 think that telegram indicated the purpose. I received some communications from my brother while he was in New York. I have not preserved the correspondence. I think it likely he told me there were other harvester manufacturers there. Either he or Llewelyn reported that they were negotiating with Perkins to sell the Plano Company. They did not say that they were to get the business of these other manufacturers sold to Perkins also. They

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were not interested in that part of the proposition except as it may have affected the interest of the stockholders of the Plano Company.

The property of the Plano Company was transferred to the Harvester Company and the stockholders of the Plano Company received stock of the International. Before the business of the Plano Company was sold we knew  
524 we were to receive as consideration stock in the new company.

*Lane a Convenient Instrument of Transfer.*

When I went to New York we executed several instruments. We deeded the property of the Plano Company to Lane. I did not know him. I think he was adopted as a convenient instrument to hold the properties for re-transfer to the new company. I had no idea that Lane  
525 was going to enter the harvester business. I do not think anything was said to the effect that the sale was made to Lane in order to avoid the appearance of a combination. I do not recall any discussion to this effect. I think Mr. Perkins informed us that these other properties were transferred in the same way to Lane and then to the new company. We did pretty much as Mr. Perkins said.

*Our Object—the Sale of the Plano Business.*

Our object was to sell out the Plano business, for some good reasons. It was not to get an arrangement by which all the five manufacturers could come together into one company.

528 I think I stopped at the Manhattan. My brother was there too. I made two or three trips during August and, possibly, the first part of September. I saw some of the other harvester manufacturers there. I did not discuss the proposition with them. All our discussions and negotiations were with Mr. Perkins. We supposed that the other manufacturers were selling out their business. We finally knew that we were going to have stock in the new company. I think before we agreed to sell we knew who was going into the new company.

529 After the sales committee was given up and the five divisions brought into one I had nothing to do with the sales. I never carried any papers out of the office. I have retained none of the letters relating to the formation of the company.



## McCORMICK HARVESTING MACHINE COMPANY.

## XIV

ALEX LEGGE (witness for defendants):

- 33 I went to New York early in July, 1902. Some question had been raised by the Morgans as to the value of the notes and accounts outstanding, and I, having direct charge of their receivables, was asked to explain. Rodney B. Swift was called at the same time. The question under discussion was whether there were any patents for which McCormick Co. could rightly expect compensation in the sale of their business. Mr. Swift was in charge of the Patent Department. We went together and stayed 7 or 8 days, returning on the same train. In none of the discussions or conferences at any time during 1902 was there ever any mention, to my knowledge, of any trip by Mr. McCormick and Mr. Swift together to New York.

## XIII

GEORGE W. PERKINS (witness for defendants):

- 222 I do not remember when J. P. Morgan went to Europe in 1902. As partner of J. P. Morgan & Co. I was in very close relations with Mr. Morgan and the business of the firm; was very active in the firm, and knew in general way its affairs. I never knew of Mr. Cyrus McCormick or Mr. Swift seeing Mr. Morgan with respect to Harvester business in 1902. In my talks and correspondence with Mr. Morgan then or at any time, he never mentioned that McCormick or Swift had been to see him. I never heard of such a thing. Mr. Morgan never mentioned it and he certainly would have done so had they been to see him.

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R. B. SWIFT (witness for petitioner):

*Direct Examination.*

- 404 I live in Chicago and on my farm at Libertyville. I started in 1876 with the Wood Company. In 1880 I went with the McCormick Company at Des Moines, Ia., until  
405 1902 was continuously in its employ. In 1901 I had charge of its legal and experimental departments and was in touch with the other departments. I was frequently called

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into consultation by the officers in relation to the legal affairs of the company. I graduated from a law school but never practiced law. My entire time was devoted to the McCormick Company.

The largest competitors in 1902 were the Deering, Champion, Plano, Osborne, Johnston and several smaller companies and the Milwaukee. The six largest were the  
 406 Deering, Champion, Plano, Osborne, Milwaukee and McCormick. The competition between those companies was vigorous. They were doing all they possibly could to increase their sales. This competition was held well within the bounds of the cost of manufacturing of the leading companies. The business of the McCormick Company had been good. Its profits for 1900, 1901 and 1902 combined  
 407 over \$16,000,000; its capitalization was \$2,500,000. In 1900 the profits were in excess of \$4,300,000. Between 1888 and 1902 the McCormick Company had paid dividends amounting to 463 per cent. and had largely increased the property it had. In 1889 the book value of its property was \$12,000,000; in 1902, \$50,000,000. To the best of my knowledge this had all been built up out of the earnings in those thirteen years.

420 I should say that the McCormick, Deering, Champion, Plano, Milwaukee and Osborne Companies in 1902 did from 85 to 90 per cent. of the binder business, and perhaps, a little less per cent. of the mower business.

I took part in the conferences which resulted in the formation of the I. H. Co. in 1902.

*Examination on Voir Dire.*

408 I should say I was consulted more particularly in relation to the business end of the matter than the legal end. The considerations involved somewhat my duties as head of the law department. I think the McCormicks at that time employed a number of lawyers; Cyrus Bentley, John P. Wilson and others. There was no lawyer at that time who devoted his whole time to the legal business of the McCormick Company.

*Direct Examination Resumed.*

409 I am an expert on patents and machines, and at the time was head of the patent department and the experimental department. It is not true that whatever legal services I performed were in connection with these points. I had

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charge of the accidents and a great many of the business matters such as collections and accounts. There was a young lawyer in the department who looked more particularly after collections and I had an assistant who looked more particularly after patent matters.

The talks to which I have referred in the latter part of 1901 and the beginning of 1902 related to the business and the legal aspects of whether such a combination could be legally made. The subject of consolidation was discussed in the early part of 1902 with Cyrus, Harold and Stanley McCormick, Mrs. McCormick, Sr., Mr. Mayer, head of the sales department, Mr. Daniels, Mr. Legge and Mr. Cyrus Bentley. I went to New York in the early part of 1902 with Cyrus McCormick. The witness was asked what was the purpose of this trip.

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*Further Examination on Voir Dire.*

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I was at the head of the business law department. The larger affairs of the institution had special attorneys. I would not say that a statement of the purpose of my trip to New York would involve the disclosures of communications made to me as acting in the law department of the company, because I think I went there with Mr. McCormick as a business representative rather than for any legal knowledge I might have. I do not think that the knowledge of the reasons for going to New York with Mr. McCormick was a knowledge which came to me in conferences as head of the law department. I was with the Mc-

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Cormick Company in a business capacity as to a great many departments, and the purpose of this visit was talked over not to me confidentially but understood by the people about the office. My legal knowledge may have been partly a reason that led me to be selected to go. In these talks a number of us were present—some who were not lawyers. I do not think my knowledge of law had very much weight with the people of that company. Whenever the McCormicks had legal matters that required any confidential information they went to better lawyers.

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My position with that company in legal matters had to do more especially with the every day business matters.

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For instance, if there was an accident at the works and the attorney who was employed reported to me that the man was hurt in such a way, I would say settle it or not settle it, etc.

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Q. Didn't you understand that at that time when you were head of the law department you were a lawyer for the McCormick Co.? A. I never was a lawyer for them; I never represented them in a case in court.

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*Direct Examination Resumed.*

I went to New York to consult with some leading financial men and some good lawyers as to whether a combination of the harvesting machine companies could be legally made and whether the money could be obtained to accomplish this. This was in the early part of 1902. We saw Francis Lynde Stetson, Morgan's attorney, and William Nelson Cromwell and the President of a large trust company in New York, I think Mr. Stewart. I accompanied Mr. McCormick in these interviews. When we saw Morgan, nothing was said about a consolidation. We had seen Mr. Stewart before our interview with Morgan.

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Mr. Stetson assured Mr. McCormick that Morgan would stand behind the combination of the harvesting machine companies, and in his opinion such a combination could be legally made. I do not recall that the Anti-Trust Law was mentioned, but there was talk as to whether the law would allow such a combination. In later interviews there was reference to the Anti-Trust Law. We were in New York several days and did no business other than this. Mr. Cromwell said that in his judgment a combination of the companies could be made. He thought there was nothing that could prevent people from selling their business to whomever they wished. There was no talk of making a sale to one man and then from that man to a corporation to be formed.

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We—the officers of the McCormick Company—discussed this matter all through the spring of 1902 frequently. I believe Wentworth P. Johnston, and a number of men in the bookkeeping department, worked on the books in the spring of 1902 making estimates of the value of the property, etc. Johnston afterward entered the employ of the Harvester Company.

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Later Mr. Stetson came to Chicago and I and one of the McCormicks met him. Mrs. McCormick, Sr., was there. This conference was in the spring of 1902 in a Chicago hotel, and the consolidation of the harvester interests was discussed. About that time Mr. Cyrus McCormick told me that he was seeing Mr. Glessner in connection with

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this matter. Cyrus, Harold and Stanley McCormick, Mr. Bentley, Mr. Legge, Mr. Daniels and Mr. Mayer participated in various conferences. These were the most important officials of the McCormick Company. All this transpired prior to July, 1902.

In July, 1902, I went to New York with Cyrus, Harold  
419 and Stanley McCormick, Mrs. C. H. McCormick, Sr.,  
Cyrus Bentley, Eldredge M. Fowler and Mr. Legge. We  
all stayed at the Manhattan Hotel for about two weeks.  
We were continuously engaged on the subject of the consolidation of the harvester interests. I knew the plan contemplated bringing in other manufacturers and their names were mentioned at these conferences. The other companies which came in were discussed and all of the persons I have named knew that they were trying to get them all in. That was not true of the conferences in the spring of 1902. All the time I was in New York in July  
420 this was known. We were in almost continuous session. Mr. Perkins was often there. Some of the McCormick owners went down town to discuss the proposition and would come back and report. We discussed the output of these five or six companies, the per cent. of business they would embrace and such matters as business men would discuss when they were thinking to form a combination of harvesting machine companies. It was understood all this time that stock was to be received in exchange for the properties conveyed.

Propositions looking to the form of organization and  
421 methods by which value should be computed were discussed and who should be the officers of the new company. I cannot say that this was determined. It was the consensus of opinion among us that Cyrus McCormick should be President, if there was a combination, and if he was not, there would not be any. I do not know that this was made known to the others.

It was also discussed as to which of these five companies should be allotted the different offices. The Chairman of the Executive Committee was the office next in importance to that of President. It was discussed to whom that office should be allotted, and Charles Deering got it. The office of Secretary and Treasurer was allotted, my recollection is, to Mr. Howe of the Deering Company. I am testifying now to the talk at the conferences at the Manhattan Hotel. The Vice President was

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also discussed, but I do not definitely remember whether  
 422 the number of Vice Presidents was mentioned. The principal discussion was the Presidency and the Chairman of the Executive Committee. There was considerable talk as to what the duties of the two officers would be; in other words, who would have control of the proposition.

I was familiar with the business of the company, and had a fair idea of the value of the different properties. I should say I was there as a business man and not as a legal adviser. Mr. Cyrus Bentley was the legal adviser. I do not know that I knew more about the figures than he did because he had carefully gone into them.

423 The question of voting trustees was taken up. The purpose of the voting trustees was to prevent any one of the concerns from getting control of the business by obtaining a majority of the stock. The McCormicks felt that Deerings might seek to get control and the Deerings felt that the McCormicks would, and, therefore, they trusted the stock to avoid a scramble for it. The voting trustee representing the McCormicks was decided by the McCormick family and the persons there present. I do not know who decided the Deering representative. I do not know  
 424 it was decided who should be the successor in the event of the death or incapacity of Cyrus McCormick but I remember it was talked that there would be a succession.

I am quite familiar with the present conditions in the sale of harvesting implements. Before 1902 the McCormick Company varied from its list prices from time to time to meet competition. The local agents of the different harvesting machine companies used to accept old machines in exchange for new ones by allowing so much on the return of the old machine. Repairs were given quite freely to local dealers on settlements. Experts were  
 425 furnished in numbers through the harvesting season. This was done by all the companies but I speak more definitely in regard to the McCormick Company. This was true of the three years preceding 1902. If one of the harvesting companies learned that a farmer needed a binder, they sent canvassers over the country who would go to the local agents, see what trade was in sight and in many instances visit the farmers and make the sales if possible.

Since 1902 less experts have been kept up, less consideration shown to the farmer in relation to free list accounts for repairs. He was not solicited to purchase as

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vigorously as previously. He would come into town more now. It is quite difficult now to trade in an old machine. The regular prices are maintained much closer than they used to be.

426 I think the plan of selling to Lane was Mr. Stetson's. It was deemed a safer method to avoid the Anti-Trust law. A great many methods of effecting a consolidation were suggested and talked over between the McCormick people. A number of these schemes were submitted to Mr. Bentley and decided that they would not be legal as violating the Anti-Trust laws. I distinctly recall proposals toward forming a selling organization and toward partial combinations which were decided not to be legal. After these proposed schemes were rejected, the plan was finally adopted of transferring to Lane and Mr. Lane to the new company.

I knew before I went to New York in July that Mr. Middlekauff had obtained an option on the Milwaukee plant. Mr. Middlekauff acted for Mr. Cyrus McCormick to obtain that option. It was sent to New York and turned over to Mr. Morgan and Mr. Perkins.

427 While in New York ideas would be brought in from the other side and discussed. I knew that the other manufacturers were in New York. I saw Mr. Jones on the street and I have a recollection of seeing Mr. Llewellyn. It was mentioned at the conferences that these other manufacturers were in town. We understood the other manufacturers were endeavoring to bring about the same result as we were.

435 No definite figures were submitted to the McCormick people at the Manhattan Hotel showing the Deering profits during the preceding three years, but figures that were supposed to be substantially accurate were referred to and talked about, and considered as part of the general proposition.

I remember the Deering profits were about a little more than two-thirds of the McCormick profits for 1900, 1901 and 1902—about \$12,000,000.

436 When I went to New York in the spring of 1902 with Mr. McCormick, nothing was said about getting money to expand our foreign business. The purpose was to see what the men having large amounts of capital would say toward financing a consolidation of the harvester ma-

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chine companies, and further to see if it could be done legally.

The adoption of the I. H. Co. of America as the selling agency of the products of the I. H. Co. was discussed in the late summer and early fall of 1903. I do not remember whether it was before the I. H. Co. was actually formed or not. The purpose was to have a company with less capital to do the interstate trade.

437 I was subpoenaed in this case.

466 CYRUS BENTLEY (witness for petitioner):

467 I am an attorney at law and was engaged in that profession in 1902 in Chicago, as a member of the firm of Bentley & Burling. I went to New York in the summer of 1902 in connection with this harvester consolidation. Any information I at any time possessed regarding what occurred in New York came to me in my capacity as counsel for the McCormick Company and its stockholders, and I understand is privileged, and I, therefore, must decline to testify as to what I saw or experienced in New York. I am not familiar with any rule of law that a communication between attorney and client is not privileged when there are third parties present.

468 Neither Charles Deering, Wm. H. Jones nor J. J. Glessner were my clients. I was not present at any meeting on July 28th where all those persons were present. I was present when one contract was executed. I received no information in New York except in my capacity as counsel.

My clients were McCormick Harvesting Machine Company, Mrs. Nettie F. McCormick, Cyrus H. McCormick, Harold F. McCormick, Stanley McCormick, Anita McCormick Blaine, Mrs. McCormick, Eldrige M. Fowler and Cyrus H. McCormick as trustee for Mary V. McCormick and Eldrige M. Fowler. I refuse to state whether I attended meetings in July with reference to the consolidation of the harvester interests at which persons were present other than the clients I named.

470 According to my best recollection I was not present at any meeting during July, 1902, at which any of the other manufacturers were present. I was not present in the summer of 1902 prior to the organization of the I. H. Co. at any meeting at which this consolidation of harvesting



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manufacturers was considered where my clients and other manufacturers were present. To the best of my recollection I was not present at any meeting at which papers were signed relating to the formation of this Company, at which my clients and other manufacturers of harvesting machinery were present. I decline to state whether I was present at any meetings in the summer of 1902 at which a number of manufacturers of harvesting machines were present and the problem of selling their respective businesses was considered. I make no distinction in this answer between the term "consolidation" and "selling out." I understood you to refer to the organization of the Harvester Company; that is what I am speaking of.

I was attorney in a great many matters for the McCormicks. I was certainly attorney for the McCormicks in reference to the negotiations which preceded the organization of the I. H. Co.

472 I refuse to state what the contract which was signed when I was present relates to or when it was signed or who was present other than my clients, or whether anyone other than my clients were present. I refuse to state who would know, other than my clients, the contents of  
473 that document, or where the document is now. I do not know. I refuse to state whether I have seen the contract since it was signed. I refuse to state whether great secrecy has always been preserved regarding it. I do not positively know that the contract was ever put in evidence but I think it has been. It is my impression that it was put in evidence in the litigation in Missouri.

(Being shown the agreement of July 28th between the McCormick Company and Lane as it appears in the record in the Missouri case.) Any information I had respecting that agreement came to me as counsel for the McCormicks, so I would have to refuse to identify it if I could.

474 I refuse to state whether the contract which was signed in my presence was signed by other manufacturers than my clients. On examination of the Missouri record I saw printed McCormick Harvesting Machine Company as one party and William C. Lane as the other party. I could not possibly identify such a long contract after ten years by referring to a printed copy.

I cannot identify Petitioner's Exhibit 1 as the contract executed in my presence. I do not say it was not; I can-

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475 not identify it as the one. I refuse to state how long the negotiations and transactions lasted which resulted in the McCormicks selling out their business. I think I was consulted as to everything that was done by my clients. If there were any papers executed I would be familiar with them. Any information I have respecting the course of the negotiations came to me in my capacity as counsel and I decline to divulge such information. To the best of my recollection there was no other paper executed on or about the time this Exhibit No. 1 was executed, signed not only by my clients but by other manufacturers. I will not state what paper was signed in my presence, whether I deemed it important, or whether any was so signed.  
476 To the best of my knowledge there was no contract or paper in this transaction signed by a number of the manufacturers.

I was subpoenaed on the 19th or 20th of September. I telephoned counsel for defendants that I was entirely willing to testify but that I felt a difficulty about it in view of the fact that my information came to me in my capacity as counsel, and asked that someone be present with authority to waive the privilege if it was desired that I should testify. Later, in thinking over the subject, it occurred to me that one of my clients was not physically able to be consulted on the subject of waiver. This was Mr. Stanley McCormick. When I reached that conclusion I notified Mr. McHugh that this was the position I  
477 was going to take. I did not ask him if he wanted me to take this position. Mr. Stanley McCormick and his property is in the hands of trustees. I do not understand that the trustees could waive the privilege. None of my clients has indicated to me one way or another whether I should or should not exert my privileges. It is useless for me to go over these questions with my clients. I would not undertake to discuss such a question as that with Mr. Stanley McCormick in his present state of health. A majority of my clients cannot waive this privilege. The trustees of Stanley McCormick are Mrs. Stanley McCormick, Dr. Henry B. Favill and myself.

## MILWAUKEE HARVESTER COMPANY.

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P. D. MIDDLEKAUFF (witness for petitioner) :

149 In the spring of 1902 I acquired an option on the Milwaukee Harvester Company. On March 10th I went to Milwaukee and met Mr. Van Scoy, its secretary, and asked him whether they would consider selling their business to me. Three or four weeks later, I received a letter  
150 from him saying that the directors would see me at Racine. On May 6th I went there and met the principal stockholders: Stephen Bull, Frank K. Bull, Fred Robinson, Richard Robinson, Charles McIntosh and G. H. Schulte. They said their business was not on the market, but they would discuss the matter with me. We had several meetings and arrived at the terms of an option. At that time it was just a verbal understanding.

*Option on Milwaukee Harvester Co.*

A week or two later I lunched with H. L. Daniels, of the McCormick Company, and told him I had practically closed an option for the Milwaukee Harvester Company. A day or two after that he asked me to meet Cyrus and Harold McCormick, which I did. They suggested I could get into the harvester business in a larger way and with less of a burden to carry if I united my interests with them in closing up this option.

151 I went back to Racine and a contract was drawn up giving me a sixty-day option on the payment of \$100,000. I submitted this contract to the McCormicks. They said they would not be able to go on with the option. I told the Milwaukee people that I was sorry the negotiations had to be dropped but that I expected to interest other associates and would take the matter up with them again.

I then came back to Chicago and remained here until June 24th. That day H. L. Daniels of the McCormick Co., who at present has charge of fibre purchases for the I. H. Co., telephoned me that they wished me to go to Racine immediately and close the option. I got my  
152 check certified for \$100,000, went to Racine and met the Milwaukee people. They said they could not give me an option on the same terms.

In the first option I was to have had the earnings for 1902. On June 24th the business was practically com-

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pleted and they did not think it fair to expect the same option I had got some time before. I told them I thought the deal would have to be called off. I called up Mr. Daniels who requested me to make it and not to insist on the profits. I then told them I would yield half the profits for that year, and finally the option was signed then and there on that basis.

*Option Delivered to Perkins.*

I returned to Chicago and next morning submitted the option to the McCormicks. I saw Mr. Daniels; I cannot  
153 say positively whether I saw them. That was June 25th, 1902. I left Chicago that day with the option for New York and took it to George W. Perkins, to whom I delivered a letter of introduction, a copy of which I produce. Here is also a pencil memoranda addressed to me and a copy of the option; the original I delivered to Mr. Perkins the day I arrived in New York.

154-157 Agreement dated June 24, 1902, of Stephen Bull, G. H. Schulte, Frederick Robinson, Frank K. Bull, Richard T. Robinson and C. L. McIntosh to sell to P. D. Middlekauff all the capital stock of Milwaukee Harvester Company for \$3,123,691.90, payable \$100,000 in cash; \$900,000 on or before 60 days; one-half balance on or before one year and remainder on or before two years from date. (Pet.'s Ex. 33.)

158 Letter (Pet. Ex. 34), dated June 25th, 1902, from Harold F. McCormick to Mr. P. D. Middlekauff, states:

"We authorize you to assign to J. P. Morgan & Co., or to any person whom they may designate, the option you obtained from the Milwaukee Harvester Co. for us. We will see that you incur no damage on account of such action."

159 Mr. Middlekauff: The letter I produced, dated June 25th, 1902, signed by Harold F. McCormick, was given me by Mr. Daniels. On the back is (Petitioner's Exhibit 34):

"Explain failure to get 90 days. Explain terms. Go to J. P. Morgan & Co. office at 10 o'clock Friday A. M. Leave letter and package at W. A. on arrival in city. See that it is put in hands of reliable party in office but do not see Mr. Stanley. Give Mr. Perkins all information asked for that you would give us. Make no deal for any position at this meeting. Put yourself under Mr. Per-

kins' orders either to stay in New York or to return here. When will expert start on books? Who shall he be? Shall we manage that through you or otherwise? Be on guard regarding Judge Gary. He may be on train."

Mr. MIDDLEKAUFF. "W. A." meant Waldorf-Astoria. Mr. Stanley meant Mr. Stanley McCormick.

(Envelope to the above letter marked Pet.'s Ex. 35.)

The letter addressed Geo. W. Perkins, Esq., signed Cyrus H. McCormick, dated June 25, 1902, is as follows:

"It gives me pleasure to introduce to you Mr. P. D. Middlekauff, who will make a full explanation to you regarding the Milwaukee option.

Any wishes you may have as to this matter Mr. M. will be glad to conform to."

160 Mr. MIDDLEKAUFF. When I reached New York I went to Morgan & Co.'s office and presented my letter of introduction to Mr. Perkins and handed him the option. That was June 27th. I retained a memorandum of my expenses from which I am refreshing my recollection. I was in New York from June 26th until July 30th. Part of the time at Morgan & Co. There was a desk there I always used.

I knew other manufacturers of harvesters were in New York during July, 1902. I conferred with Mr. Perkins in regard to bringing the manufacturers together into one company. I had frequent telephone communications  
161 with him every day except Sunday. He asked me a number of questions in regard to the harvester business, the relative importance of the different concerns, and their methods, outputs and extent of business.

I saw Charles Deering and Mr. Howe one morning riding in a cab from the Grand Central Station. Mr. Perkins in his talk with me referred to frequent meet-  
162 ings with these gentlemen. On July 3rd I telephoned Mr. Perkins from Washington. I was sent there by him to see the manager of some trust company to ascertain whether the Warder estate would sell its interest in the Champion Company. After that I had the following telephone communications with Perkins: July 8th, four times; July 9th, three times; July 10th, two times; July 11th, three times; July 14th, five times; July 15th, three times; July 16th, four times; July 17th, five times; July 18th, four times; July 19th, four times; July 21st, six

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times; July 22nd, five times; July 23rd, four times; July 24th, six times; July 25th, five times; July 26th, four times; July 28th, three times; July 29th, four times.

These communications were entirely in connection with the consolidation of the harvester business.

- 163 I was trying to help Mr. Perkins all I could; in my own mind I was trying to help him bring the four harvester companies together. I had received instructions to put myself at Mr. Perkins' disposal and was trying to carry out his orders. His instructions were to call him up frequently during the day. I was told to assign the Milwaukee option as he instructed me. I think on July 30th Mr. Perkins asked me to meet him at a bank on Wall street. I met him there and he presented a paper for me to sign by which the option was assigned to a  
164 man named Lane. I never saw Mr. Lane.

I did not know what Mr. Perkins was going to have me do when he brought the companies together because he did not tell me. After I signed the option, he instructed me to take the Twentieth Century on July 30th and meet Daniel B. Carse in Chicago and go with him to Milwaukee. We first went to Racine and called on the directors of the Milwaukee Harvester Company. On August 1st we got an extension of the option until September 1st.

After the capital stock of the Milwaukee Company was handed over, I was in charge of the Milwaukee plant for about a week. I left Milwaukee on August 22nd and that was the last I had to do with it. I was paid by Mr. Perkins for my services in connection with the Milwaukee option.

*Documents Pertaining to Milwaukee Option.*

- 165 Pet.'s Ex. 36 is an assignment dated Milwaukee, Wisconsin, August 11th, 1902, from P. D. Middlekauff to William C. Lane of the annexed option contract, dated August 11, 1902, between Stephen Bull, Frank K. Bull, Richard T. Robinson, Frederick Robinson, Charles L. McIntosh and G. H. Schulte, first parties, and P. D. Middlekauff, second party, for consideration of \$500,000.
- 165-167 Option agreement, August 11th, 1902, between Stephen Bull, Frank K. Bull, Richard T. Robinson, Frederick Robinson, Charles L. McIntosh, and G. H. Schulte, first parties, and P. D. Middlekauff, second party, recites the option agreement of June 24th, 1902, and that time

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for the consummation of the sale was extended to September 1st, 1902; provides that the stock of Milwaukee Harvester Company be assigned and be delivered to the buyer immediately, and that the purchase price of the stock shall be paid to the sellers, except the sum of \$500,000, which shall be deposited in the First National Bank of Milwaukee to await the result of appraisement provided for in the original agreement, in the event an appraisement be demanded.

167-168 Assignment, dated July 28, 1902, by P. D. Middlekauff to William C. Lane of the option dated July 24, 1902. (Pet.'s Ex. 37.)

III

314 H. L. DANIELS (witness for petitioner):

I am manager of the Fiber Department of the I. H. Co. I was in the employ of McCormick Harvesting Machine Company continuously from 1881 until 1902. I have read the testimony of P. D. Middlekauff and recall having some interviews with him in 1902 in relation to an option on the Milwaukee plant. At that time I was working under the direction of certain stockholders of the McCormick Company. I had interviews regarding these negotiations principally with Mr. Harold McCormick, and also Mr. Mayer and Mr. Swift.

315 Mr. Middlekauff and I lunched together occasionally. I have no recollection of any particular time that I took him to see the McCormicks; that I did so is very likely, but I do not remember the occasion. I do not think I recall any interview or conference with the four of us in connection with the Milwaukee option. I recollect one time when I took Mr. Middlekauff into the McCormicks' office, but I think it was previous to the talk on the Milwaukee option; now I may be mistaken. I think I took him to see Mr. Cyrus McCormick and Mr. Harold McCormick.

*Middlekauff Secures Option on Milwaukee Co.*

316 I think I recall telephoning Mr. Middlekauff one morning and asking him to meet me downtown. That occurred more than once. I think I remember the particular occasion when I telephoned him to come down and after which he went up to Racine and got the option. I think I had been told by Mr. McCormick, or by some one in

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authority, that they would like to renew negotiations for the option, if it could be secured. To make that answer intelligible it is only fair to say that the first time the matter was brought up it was turned down or declined.

It may not have been either of the McCormicks from whom I received instructions to telephone him at that time. It may have been Mr. Legge, Mr. Mayer, Mr. Swift or Mr. Krebs. I understood that the directions came from the heads of the company.

I recall meeting Mr. Middlekauff at that time, I think, at the Auditorium Hotel. I do not know whether anyone else was present during part of the conversation; 317 there may have been. I know in one instance at that time Mr. Harold McCormick came in. I do not remember anyone coming in, although some one may have.

I recall the furnishing of the money for the option. I have an idea there was another trip. I think he went up and arranged for the option and came back, and the money was given him at a later date. I gave it to him. That was a cash transaction. I took the cash from our office. I have no distinct remembrance who gave me the money; whoever was treasurer. It may have been Mr. Ranney. I took \$100,000 in cash, from the office to the 318 Auditorium, or where we met. The amount impressed me a great deal more than the individual who handed it to me. I was told to give it to Mr. Middlekauff for the purpose of getting an option on the Milwaukee plant. I think these instructions were from Mr. Harold McCormick. I do not remember whether he, or who was present, when I received the money. I mentioned Harold McCormick because he talked with me more about that 319 transaction than any other person. I think I had talks with Cyrus McCormick about it. I think he was present once or twice when the matter was being discussed. My remembrance—now I may be wrong—is that he was not in the city much of the time that we had the matter under discussion. I think I remember his taking part at one conference on the subject of buying the Milwaukee plant. I remember Mr. Middlekauff telephoning me from Racine that it was going to cost more money to close the option, and I recall leaving the telephone and going to confer with some one, I think with Mr. Harold McCormick. I do not know whether Mr. Cyrus McCormick was present. He was at the head of the company.

I read Mr. Middlekauff's testimony at the time. I do



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not remember particularly what he said on that subject. I do not think I ever read Mr. Cyrus McCormick's testimony in the Missouri case, in relation to Mr. Middlekauff. What he testified to in that case has not been brought to my attention.

320 Q. Are you sure of that?

A. Well, no I am not sure of anything; but I have no remembrance of Mr. McCormick's testimony having been called to my attention.

Q. Was it brought to your attention before you testified in this suit that Mr. McCormick testified in that case that he did not know Mr. Middlekauff.

A. Well, I do not remember now.

Q. That was brought to your attention?

A. Of having heard that statement made, yes. The fact that that matter was brought to my attention has not influenced me to say that I thought those transactions were with Mr. Harold McCormick. I had not thought of it since you commenced to question me. I think Mr. Funk brought Mr. McCormick's testimony to my attention.

I must have seen Mr. Middlekauff when he returned with the option from Racine, but I do not particularly recall it.

(The witness was shown Petitioner's Exhibit 34. Letter dated June 25, 1902, to P. D. Middlekauff from Harold F. McCormick.)

321 I do not recall giving that letter to him, but I certainly must have done so. The letter is in my handwriting, except the signature. I suppose Mr. McCormick asked me to write it. I conducted those negotiations pretty largely. I kept no copy of it. It was not customary or usual to keep copies of notes written by hand. The writing on the back is mine. I should judge now that letter was absolutely the instructions to Mr. Middlekauff and undoubtedly I wrote it down as it was given to me by Mr. McCormick. I do not think I told anybody else I was getting this option for the McCormicks. I do not know now what the words on the back, "Explain failure to get 90 days," referred to, but I would imagine that they wanted the option exercised in less than ninety days and that I was asked to get a 90-day option.

Q. There is another note on the back. "Be on guard regarding Judge Gary; he may be on train." What was said to you by Mr. McCormick as to that?

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322 A. I do not remember. I had no recollection of writing those instructions at all until I saw them in my own handwriting.

I do not remember giving Mr. Middlekauff a letter of introduction from Mr. Cyrus McCormick to Mr. George W. Perkins as distinct from the general transaction, although I presume I did. I may have seen Mr. Cyrus McCormick after the return of Mr. Middlekauff with the option, or I may not. I often got letters from him without seeing him. I presume that letter of introduction was given to me that morning, I believe it was. I did not see Mr. Perkins in connection with this option at any time before Mr. Middlekauff went to New York. I may have talked with him about it at a later date.

I was acting under the instructions of the heads of my company. The handing over of the \$100,000 was before I gave these notes to Mr. Middlekauff. I never went to New York in connection with the selling out of the McCormick business to the International. I was consulted in regard to it before the sale was made known to the public. I did not help in the negotiations. The old McCormick department heads were all consulted and had conferences on the subject.

I had nothing to do particularly with the formation of the I. H. Co. or with the sale to it of the McCormick Company. I do not recall these meetings or conferences. There was a continuation of conferences of that kind running through quite a long period of time before the formation of the I. H. Co.

Q. Did these conferences run back to the spring?

A. I think longer. The conferences along those lines occurred before the International was talked of—I mean consultations regarding a reorganization and securing a larger amount of capital to take care of increasing business. The bringing in of the other manufacturers was discussed at times. That was one of the means considered which would enable us to get more capital.

## 324

*Cross-Examination.*

The department heads of the McCormick Co. had frequent conferences over the needs and development of the business. The need of the business was increased capital, particularly for the foreign trade, which was worrying us pretty badly at that time, after the Paris Ex-

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position. The growth of the foreign trade was in excess of our ability to take care of it. We recognized the opportunities of the foreign trade, if adequately taken care of. Our representatives who went over there came back with glowing accounts of what could and must be done.

325 At these conferences the subject was discussed as to whether the McCormick Co. would buy the Milwaukee Co., and the McCormick Co. officials concluded they could not afford to do it. That was turned down and that ended the negotiations with Mr. Middlekauff at that time. Later, they were taken up again, through me, at the direction of the heads of the Company—the McCormicks. My remembrance is that these later negotiations were at the instance of Mr. George W. Perkins. I think the McCormick people were acting for him; that is my remembrance of it now. I remember that this money was advanced at the request of Mr. Perkins over the long distance telephone. I believe the McCormicks were acting for Mr. Perkins, although I do not know that personally. That was my understanding at the time.

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*Re-direct Examination.*

I did not hear the long distance telephone request from Mr. George W. Perkins just referred to, but think some one went from the room to a telephone booth and held that conversation while the matter was under consideration. It is my impression it was Mr. Cyrus McCormick. We were then having under consideration the taking of the option on the Milwaukee plant. I do not think that this was on the day that I was paid the \$100,000. I am inclined to think that it was at the time Mr. Middlekauff notified me it was going to cost more money than he had anticipated and wanted to know whether he should close at the higher price. No, I want to withdraw that; I do not think that is right. At the time Mr. Middlekauff telephoned from Racine, I went, I think, to Mr. Harold McCormick and told him the option was going to cost more money and he said to go ahead and take it anyway. So I did telephone Middlekauff to close the option. Then the

327 matter of the payment of the money came, of course, at a later date. I don't know how long after. I think he was given twenty-four hours or more in which to get the money; that is my remembrance of it now. I want to say: If Mr. Middlekauff has got any testimony on that subject,

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why, he is right, and I do not want to go on record here in conflict with what he says about the details of that work. I do not think we had received this long distance request from Mr. Perkins at the time I conferred with Mr. Harold McCormick and he said to go ahead. I first heard of this telephone communication from Mr. Perkins at the time it occurred. I do not believe I can tell you when it was. The agreement (referring to Petitioner's  
328 Ex. 33) may have been signed the day Mr. Middlekauff was up there; I don't know.

The first negotiations were dropped because we could not afford it. That was the explanation. When I telephoned Mr. Middlekauff that morning about taking up the negotiations again, I was instructed by the McCormicks to do so. Middlekauff must have got the money before he got the written option.

Q. Was any reason given why you were able to afford it the second time, although you could not the first time?

A. I think the negotiations were picked up for Mr. Perkins. I don't know whether Mr. Cyrus McCormick told me that, but some one did. I certainly was told at that time.

Q. Before you testified in this case, was it called to your attention that Mr. Cyrus McCormick had testified in the Missouri suit that he did not know how Mr. Perkins happened to secure the good offices of Mr. Middlekauff in obtaining this option? A. No, sir, that was never called to my attention. I do not know yet that it is so and have no knowledge on the subject.

329 Q. Just what testimony of Mr. McCormick in the Missouri case did Mr. Funk call to your attention? A. I think in Mr. Funk's office, after Mr. Middlekauff testified; there were two or three people present, perhaps Judge McHugh, perhaps Mr. Bancroft, and I was asked if I remembered the events in connection with the securing of that option and whether Mr. Middlekauff was in the office at any time, or with whom those negotiations were conducted; and I went on and gave my answers as best I could, trying to remember what occurred there ten years ago, the principal events of which I remember, but the details of which I do not very well remember. After those questions were asked, I think Mr. Funk told me that Mr. McCormick had testified that he did not know Mr. Middlekauff. It was not done at the time I was questioned as to my remembrance.

## XIV

ALEX LEGGE (witness for defendants):

*Milwaukee Option Refused by McCormicks.*

- 30 I remember in the spring of 1902 the matter of an option on the Milwaukee plant being considered, discussed and decided. It developed from the conversation that it was not the first time the option had been submitted and looked into. This was in spring of 1902; in Middlekauff's testimony he states May, I think; my best recollection would be March. This first time Middlekauff came with the Milwaukee option it was decided whether the McCormick Co. would buy. My best recollection is
- 31 that was when Mr. McCormick gave the reason that there was no use considering it because they were too deeply involved financially; no matter how attractive it might be they could not take it on. That was definitely so decided at that time.

I know the facts generally with respect to the second time Middlekauff secured the option and when the \$100,000 was provided to enable him to make the payment. I can not say definitely how the request came for the sending of that option to New York. It was after Mr. McCormick had returned from New York.

Some time after this Milwaukee option was declined, I prepared figures, estimates, cash receipts for the McCormicks, who stated that they had been forced to secure additional loans considerably in excess of anything in the past. 1902 was a large manufacturing year, a big crop. Demands for goods were very heavy. That added demand for goods was apparent early in the season; called for an outlay of cash considerably in excess of anything we had ever had previously, and larger manufacturing. Estimates were prepared for the McCormicks as to what might be expected in the way of early returns and, as I recall it, were rather disappointing. I heard nothing further concerning that until a couple of months, I should say; then was advised they had taken up the question of financing with J. P. Morgan & Co., and felt they were going to—(Objected to as hearsay.)

*Option Secured for J. P. Morgan & Co.*

- 32 As to the circumstances with respect to the advance of this \$100,000; Mr. Middlekauff was requested by Mr. Daniels, one of our Department managers, to take the

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option on the Milwaukee plant to New York. It later developed, at least I have always so understood, that the option had expired. Upon trying to renew the option which had been declined by the McCormicks some months previous, the Milwaukee Co. demanded a cash payment of \$100,000. The question of paying the \$100,000 was taken up by long distance telephone with Mr. Morgan's office in New York. I did not do the telephoning. I was present when it was discussed. I think Harold McCormick or Mr. Ranney, who was cashier, did the telephoning. (Objected to as hearsay.)

33 What I personally know about that \$100,000, is that I was called into a conference, with Messrs. Daniels, Mayer and, I think, Mr. Krebs, and possibly others. It was asked whether the payment of this \$100,000 advanced to Middlekauff would involve the company in any liability, and the result of the conference was that George W. Perkins was called on the telephone. I did not telephone; I know there was a conversation with Perkins over the telephone. (Objection renewed to all this character of testimony.)

After the telephone conversation with Mr. Perkins the money was given to Middlekauff to procure the option for J. P. Morgan & Co.

*Cross-Examination.*

I have refreshed my recollection by referring to contemporaneous papers only in one instance; a memorandum of Mr. Ranney's dated June 24 with reference to the money furnished Mr. Middlekauff for the Milwaukee option. I have no memoranda to refresh my recollection as to the date of the earlier attempt to get the option. In stating that date somewhat earlier than Mr. Middlekauff, I was not aware that when he testified he was referring to the personal contemporaneous memoranda.

62 I can not explain the use of the words "for us" in the letter signed Harold McCormick and addressed to Mr. Perkins, dated June 25, 1902, reading: "We authorize you to assign to J. P. Morgan & Company the option you obtained from the Milwaukee Harvester Company for us." The option certainly was not obtained for them, or with their money. I was consulted with reference to that option only as to whether it would in any way implicate

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the McCormick Company in the purchase. I did know that the \$100,000 was given to Mr. Middlekauff at the time it was given. I was advised of this at the conference I refer to, along during the forenoon.

Messrs. Daniels, Mayer, H. F. Perkins, and one of the McCormicks were present. I do not think it was Cyrus; my recollection is Harold McCormick was there.

I do not recall any conversation about calling Mr. Middlekauff down town and being paid the money and sent to Racine; the discussion was the payment of  
63 this money to him for this purpose. The subject arose because we thought, or the question arose in the mind of some of the Messrs. McCormick, I think Harold, that they might be committing themselves to some interest in this purchase.

As to how the subject arose: I was called in with the other gentlemen named, to discuss the question, and asked if, in our judgment, there was any liability on their part in paying this money to Mr. Middlekauff for that purpose.

As to whether I have given a complete description, to the best of my recollection, of everything that transpired in connection with this option: I am not sure I stated on direct that the matter was held in abeyance for several hours while endeavoring to get Mr. Perkins by telephone. After communicating with Mr. Perkins, instruction was given Mr. Ranney to get the money. Someone suggested they had better make sure of a clear understanding between Perkins and them as to this payment and that they were not incurring any responsibility in so doing, and after reaching Mr. Perkins, Ranney was instructed to get the money.

The buying of that option was not suggested at that conference. When I was called in, there had been, through Mr. Daniels, who was present, some communication with Mr. Middlekauff—by whom I cannot say—except that Mr. Daniels had the talk with Mr. Middlekauff. I was not  
64 present when Mr. Daniels was asked to see Middlekauff, which I understand was the case. I think that I was called into this particular conference at its start, but this was after Mr. Middlekauff had gone to Racine, and learned it would take \$100,000 in cash to secure this option. I  
78 think I have stated all I recall about that transaction.

I wish to amend that by saying that covers all I recall of transaction up to that time. Mr. Daniels brought the

## XIV

option to the office and with it a request from Middlekauff for letter from Mr. McCormick to J. P. Morgan & Co., recommending Middlekauff as a candidate for manager of the Milwaukee property. After discussion it was decided not to give Middlekauff such letter. Daniels, Harold McCormick and myself were present. Mr. McCormick gave Middlekauff a letter which I have read in the record, introduced in Mr. Middlekauff's testimony. That  
 79 letter was discussed at that time, but was not written out while I was there. The instructions given Middlekauff, which were in Daniels' handwriting on the back of that letter, were discussed in my presence. I think reference is therein made to the question of employment or position with Morgans, if memory serves me right.

(Being shown letter—Rec., I, 159) "Make no deal" or "make no application for a position" is the question I had in mind regarding his request for endorsement as manager of that Milwaukee property for the Morgans. I heard expression, "Be on guard regarding Judge Gary" discussed, and my best recollection is they were expecting financial help from Morgan & Co., and would prefer that Judge Gary, who was closely allied with one of their competitors, would know nothing about it.

I think Stanley McCormick was in New York at that time. I do not know anything about whether Stanley McCormick saw Perkins separately on same day Middlekauff arrived in New York. I was not acquainted with  
 80 what instructions were given or sent to Stanley, or what was in the package given him. I did not know about that time that there was hope of getting manufacturers together.

## XIII

203 GEORGE A. RANNEY (witness for defendants):

On June 24th, 1902, Mr. Cyrus H. McCormick stated to  
 204 me that he had received a telephone communication from J. P. Morgan,— (Objected to as mere hearsay) —Asking him to deliver to Mr. Middlekauff the sum of \$100,000. Mr. Middlekauff was representing Morgan in the purchase of the Milwaukee Harvester Company, and this sum of money was the option for its purchase. Mr. McCormick advised me that the McCormick Company was in no way interested in the transaction, and asked my advice in regard to getting the money temporarily for that purpose.



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He told me it was a confidential matter, and also— (Objected to as hearsay and violating all the rules of evidence—one that should not be spread upon the books as the Company was not interested.

*Morgan Pays \$100,000 for Milwaukee Option.*

I discounted a note of the McCormick Company for \$100,000 at the Merchants' Loan & Trust Company, Chicago, secured ten \$10,000 bills and gave them to Mr. Daniels on the same day, and he in turn, according to my understanding, gave them to Mr. Middlekauff. Two days later I was advised by Mr. Cyrus H. McCormick that the option had been secured, and was requested to draw a demand draft on J. P. Morgan & Company for \$100,000 to reimburse us for the money temporarily loaned. I drew the draft for \$100,000 and it was signed by Cyrus H. McCormick, and given to the Merchants' Loan & Trust Company to redeem the Company's note for \$100,000. I assume that the draft was paid. I never heard that it was  
 205 not honored. The note was given up. That was the only connection that the McCormick Company had with the matter to my knowledge.

*Cross-Examination.*

I said Mr. McCormick wanted this \$100,000 to secure an option on the Milwaukee Company for Morgan & Company. Mr. McCormick never saw the money. He told me to give it to Mr. H. L. Daniels, to be given to Mr. Middlekauff. According to my recollection, Mr. Middlekauff's name was mentioned by Mr. McCormick. He did  
 206 not say he knew Middlekauff. Mr. McCormick did not say anything to me about Daniels telephoning to Middlekauff, to go up to Racine to get the option. Had had no conversation with Daniels with regard to this matter. The reason that Mr. McCormick gave, that this transaction was not to appear on the books of the company was that he was acting for J. P. Morgan & Company, at their request and therefore it was not a proper entry on the books  
 207 of our company. He asked my suggestions or advice as to how this transaction could be handled, and it was my suggestion that we temporarily borrow the money.

I understood that he did not want a record made on the books of the transaction. I understood, from my own

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knowledge of the business that it should not go there. At no other time, in the period I have been connected with the Company, have I handled a demand note in this manner, turning over \$100,000 and keeping no record on my books of the transaction.

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- 133 Mr. RANNEY. At petitioner's request I produce certain memorandum prepared by me on the date indicated, relating to the Milwaukee transaction. It was retained as a personal memorandum for the reason that the original  
134 transaction did not appear on the books, and has been in my personal possession since that date.

The memorandum, on a letterhead of the McCormick Company, is as follows:

"Note on Demand left at Bank June 24/02. Amount \$100,000. Cy rec'd from bank on same date for \$100,000. Note paid on June 26/02 by our dem'd Dft. signed by Cyrus H. McC., Prest., on J. P. Morgan & Co., N. Y. for \$100,000.00. No entry on books of Company for the above transaction. G. A. Ranney, June 26/02."

The letters "Cy" represent "currency," and "dem'd Dft." "demand draft."

## XIII

- 207 (Counsel for petitioner offered certain testimony of Cyrus H. McCormick given in the suit of State of Missouri *vs.* International Harvester Co. of America. See Rec. XIII, 207-210. Objected to as not proper cross-examination, incompetent and immaterial.)

## II

FREDERICK ROBINSON (witness for petitioner):

*Profits of Milwaukee Co.*

- 131 I was, from 1898 to 1902, a stockholder of the Milwaukee Harvester Co., having factories at Racine, Wis. It manufactured harvesting machines and sold its binders generally throughout the U. S. It also made hay rakes, headers and various implements of that nature. It was doing a good business in the year 1902. Its capitalization was \$1,000,000. I am not able to state approximately the profits for 1902. We had no information in regard to that. I remember signing an option on June 24, 1902, to P. D. Middlekauff, in which the profits for 1902 were estimated to be about \$500,000. I cannot state whether or

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not the profits for that year exceeded that sum. I never saw the figures. The statement I made to you, Mr. Grosvenor, yesterday was that as early as June, 1902, we anticipated they would be \$700,000. The profits for 1901 were in the neighborhood of \$500,000; for 1900, a similar amount, \$500,000.

*Option Given Middlekauff.*

The owners of the Milwaukee Harvester Co. were Stephen Bull, Frank K. Bull, Richard T. Robinson and Charles L. McIntosh. I recall the circumstances under which the option was given to Mr. Middlekauff. We were approached by him on one or two occasions, asking us to entertain a sale. Our early replies to him were that the business was not for sale, but if he had any proposition we would entertain it. Those interviews resulted in our reaching a price at which we would be willing to sell. We demanded \$100,000 for a 60 day option. Mr. Middlekauff paid us that money and received the option about June 24th.

(The witness produced the contract dated June 24, 1902, between Stephen Bull et al. and P. D. Middlekauff, a copy of which is already in evidence. Witness also produced a contract dated Aug. 6, 1902, between the same parties, supplementary to the agreement of June 24th.)

133-136 Agreement dated Aug. 6, 1902, between Stephen Bull et al. and P. D. Middlekauff provides for an extension of 60 days, namely, to Oct. 22, 1902, for the payment of \$750,000, which, under the contract of June 24, 1902, was due from Middlekauff Aug. 23, 1902. (Pet.'s Ex. 133.)

Mr. ROBINSON. I do not recall that anything was said at the time Mr. Middlekauff came up to buy the option about selling the business to some company which would buy out a number of manufacturers of harvesting machinery. The gross sales of the Milwaukee Co. during the years I have named were approximately from \$3,500,000 to \$4,500,000.

*Cross-Examination.*

138 The capitalization of \$1,000,000 did not represent the value of the assets of the Milwaukee Co. The value of the assets in 1902, fairly represented in the purchase price, I should say was between \$6,000,000 and \$7,000,000.

Our company has made shredders about five years, and our trade is growing somewhat.

## II

## RICHARD F. HOWE:

*Milwaukee Option Belonged to Morgan & Co.*

- 154 I do not think I ever heard of an option on the Milwaukee plant. I knew of it as belonging to Morgan & Company. Perkins told me he had bought the Milwaukee plant. I never heard at that time that the McCormicks had bought it. I do not think I ever knew there was an
- 155 option out. Perkins told me he had bought the Milwaukee plant for business purposes and that he intended to expand it and do business generally in the United States. That statement of Mr. Perkins might have influenced me in respect to my willingness to sell but if so, very slightly.

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*Documents Relating to Milwaukee Purchase.*

- 259 Letter of Paul D. Cravath to Wm. C. Lane of Aug. 11, 1902, stating that Morgan & Co. would write Lane a letter to the effect that at his request they have advanced a sum of money to enable Lane to complete the purchase of the stock of the Milwaukee Harvester Co., and that Lane, upon receipt of that letter, should acknowledge and confirm it. (Pet.'s Ex. 42.)
- 260 Letter of Morgan & Co. to Lane of Aug. 11, 1902, advising that, in accordance with Lane's instructions, Morgan & Co. had wired a credit to the First National Bank of Milwaukee for the use of Bentley & Burling, \$2,845,-224.85.
- Letter of Aug. 12th, from Lane to Morgan & Co., acknowledging receipt of letter of Aug. 11th and confirming the understanding.
- 262 Letter from Guthrie, Cravath & Henderson to Wm. C. Lane, dated Aug. 12, 1902, enclosing copy of a telegram sent in Lane's name to the Milwaukee Harvester Co., pursuant to instructions. This telegram, dated Aug. 12, 1902, addressed to Miller, Noyes, Miller & Wahl, at Milwaukee, states that, as purchaser and owner of the Milwaukee Harvester Co., he requests that company to continue in charge of the property as his agent until he can arrange to take possession. (Pet.'s Ex. 43.)
- 264 Pet.'s Ex. 45—Letter, Lane to Morgan & Co., Aug. 15, 1902, enclosing his check for \$3,148,196.66, covering advancement Morgan & Co. had made on Lane's account by way of remittances to Milwaukee upon his order.

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Letter of Morgan & Co. to Lane of Aug. 15, 1902, acknowledging receipt of Lane's letter of Aug. 15, enclosing check for \$3,148,196.66.

265 Mr. LANE. As I recollect it, Morgan & Co. sent the remittances to Chicago through their correspondents there.

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268-269 Pet.'s Ex. 48—Telegram Aug. 6, 1902, Standard Trust Co. to First National Bank, Chicago, requesting that bank to pay the Milwaukee Harvester Co. \$150,000 for the account of Wm. C. Lane.

Telegram of Aug. 6, 1902, to First National Bank of Chicago by the Standard Trust Co., stating that its account had been credited with \$150,000 and to wire when payment was made.

Telegram of Aug. 8, 1902, from Standard Trust Co. to First National Bank of Chicago, cancelling instructions to pay the \$150,000 to Milwaukee Harvester Co. and requesting a payment instead of \$200,000 to Bentley & Burling for account of Wm. C. Lane, and stating that in all \$200,000 had been placed to their credit.

Telegram of Aug. 8, 1902, from R. J. Street, cashier, to Standard Trust Co., stating that the instructions to pay Milwaukee Harvester Co. \$150,000 had been cancelled and that \$200,000 had been paid to Bentley & Burling.

270 Telegram from R. J. Street, cashier, of Aug. 8, 1902, to Standard Trust Company, stating "Telegrams received, deal not yet completed. Will wire when finished." Attached to the telegram was a memorandum stating that \$150,000 had been received from Morgan & Co. to pay Milwaukee Harvester Co. and \$50,000 received from Morgan & Co. for remittance to Chicago, as per attached telegram.

292 Mr. LANE. I do not remember ever seeing Mr. Middlekauff or recollect having any dealings with him with reference to purchasing the Milwaukee Co.

Pet.'s Ex. 55—Letter, Lane to First National Bank, Milwaukee, dated Aug. 29, 1902, reciting that P. D. Middlekauff had assigned to Lane all his rights in the agreement of June 24, 1902, between Stephen Bull *et al.* and P. D. Middlekauff for the purchase of the stock of the Milwaukee Co., and withdrawing the request for arbitration heretofore made under the agreement and consenting

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to pay the first parties the \$500,000 now on deposit with the First National Bank of Milwaukee.

293 Mr. LANE. To my recollection I had no dealings with any one other than Guthrie, Cravath & Henderson. At times I saw some of the men interested in the various harvester companies.

III

**ANNOUNCEMENT REGARDING ORGANIZATION OF INTERNATIONAL HARVESTER COMPANY.**

407 CLARENCE S. FUNK:

The officers in Chicago do not remember, nor do the records indicate any official announcement to the public when the I. H. Co. was formed. One director gave out a statement but I cannot find that it was ever considered by  
408 the Board. It was evidently hastily prepared because inaccurate in several respects: It states the cash working capital at \$80,000,000, whereas the amount was \$60,000,000. The organization of the company was completed Aug. 13th and the statement appeared in the morning papers on Aug. 14th. This typewritten copy is from the "Implement Age" of Aug. 14, 1902. The heading "Official Statement" is a wrong heading. I do not know the director who made the statement; there is nothing to show who made it; neither Mr. McCormick nor Mr. Glessner  
409 recalls who made it. Pet. Exh. 257:

"Official Statement of the Company."

"The International Harvester Company has been organized under the New Jersey laws with a capital of \$120,000,000 to manufacture and sell harvesting machinery. It has purchased the property and business of the McCormick, Deering, Plano, Warder, Bushnell & Glessner and Milwaukee Companies.

"Its capitalization is conservative and \$60,000,000 of its assets are in cash working capital. There will be no offer of its stock to the public, as all the cash required has been provided by the stockholders. Through their large manufacturing facilities and ample cash resources, they expect that they will be able to continue the manufacture and sale of agricultural machinery without increase in price.

"The prices of raw material have steadily advanced

## III

and although manufacturers have hitherto avoided any increase in price, it is apparent that higher prices would become necessary, unless the methods could be materially improved and economies accomplished. The manufacturers realize that their welfare and that of the farmers are identical. The United States has become the leading food-producing country of the world. An advance in the prices of agricultural machinery would injure the farmers and react upon the manufacturers, but if existing conditions continue, such advance would be inevitable. Thus either prices should be advanced or substantial economies must be effected.

“The International Harvester Company hopes that with the extension of business and important economies that  
410 the farmers may have the advantage of cheap harvesting machinery which has been an important factor in bringing about their prosperous condition.

“The management will be in charge of gentlemen who have for years been identified with the business.

“The company has five fully equipped plants, the largest and most complete of their kind in the world and one in process of construction in Canada. Through their warehouses they will be able to make economical distribution of their products. They also own timber, coal, ore, blast furnace and steel properties by means of which they should be able to accomplish important economies.”

(A list of the officers and directors follows.)

Mr. FUNK. Here is a copy of the “Implement and Vehicle News” of August, 1902. I think the statement is substantially the same.

## I

**DETAILS OF ORGANIZATION.**

239-293 W. C. LANE:

The testimony of Wm. C. Lane shows that he had never been interested in the harvester business and had no intention of entering into that business; that his acquisition of certain harvester properties, in August, 1902, and his transfer thereof to I. H. Co., and all his acts in connection therewith were under the direction of his counsel, Guthrie, Cravath & Henderson; that he has no recollection of the details of the transaction, and that nothing was said to him about avoiding the appearance of combination if this form of sale was adopted.

Petitioner's Exhibits 40-A, 40-B, 40-C, 40-D, 40-E, 40-F, 40-G, 41, 41-A, 41-B, 42, 42-A, 42-B, 44, 44-A, 45, 45-A, 46, 46-A, 47, 47-C, 48-F, 48-G, 48-H, 48-I, 48-J, are letters and memoranda between W. C. Lane and J. P. Morgan & Co.; W. C. Lane and P. D. Cravath, or Guthrie, Cravath & Henderson; between Standard Trust Co. and Lane and Guthrie, Cravath & Henderson; and between Lane and Standard Trust Co.; and Standard Trust Co. and Geo. W. Perkins, Charles Deering and Cyrus H. McCormick, voting trustees, relating to the details of organization of I. H. Co. and of voting trust.

## IV

*Agreements of July 28, 1902.*

1 Pet. Ex. 1.—Agreement, dated July 28, 1902, between McCormick Harvesting Machine Co., "Vendor," and Wm. C. Lane, "Purchaser": recites that Purchaser desires to acquire vendor's properties and intends "to sell, convey and transfer the same to a corporation now existing, or hereafter organized, under the laws of the State of Illinois, or other state (hereinafter called the "Purchasing Company") with capital stock as hereinafter provided."

1. Vendor agrees to sell to Purchaser, as a going concern, its plant, patents, trade names, good will, materials on hand, contracts, etc. "There shall also be sold and purchased with said properties \$20,000,000 (at face value and accrued interest) of bills and accounts receivable, representing the sales made by Vendor," to be guaranteed by Vendor, with right to substitute cash for such accounts.

2 2. Vendor agrees to deposit in escrow with Morgan &



## IV

Co., or a trust company designated by them, proper deeds, etc., conveying all said properties.

3. Vendor agrees to deliver to said depository full statements of its assets, etc., and that it will not increase its capital stock or incur any indebtedness or make any contracts other than necessary in the ordinary conduct of its business. Any differences of opinion between Vendor and Purchaser as to the conduct of business to be decided by J. P. Morgan or George W. Perkins.

3 4. Purchaser and Purchasing Company shall have the right to inspect all deeds, etc., and require abstracts, etc.

5. The purchase price for all said property shall be the aggregate of the several appraisals hereinafter provided for, payable in shares of the capital stock of the Purchasing Company at par. For the purpose of such appraisals the property is classified as: (1) "Plant;" (2) "Materials on hand;" (3) "Pending sales"—or unexecuted orders;" (4) "Material contracts;" (5) "McCormick railroad;" (6) "Patents, good will, etc." The value of the plant, materials on hand, pending sales and material contracts to be determined by three appraisers—one named by Vendor and two by Morgan & Co.; of the McCormick railroad by J. P. Morgan or George W. Perkins. The value of patents and good will to be fixed at a sum equalling net profits of Vendor during two years ending Nov. 30, 1902, plus 10 per cent., and such additional amount for the name, stability of business, organization, etc., as shall be fixed by J. P. Morgan, or George W. Perkins, in his sole discretion.

6. Relates to the guarantee of receivables.

6 7. "The Purchasing Company shall have such corporate title, capital stock, organization, by-laws, directors and committees as may be approved by J. P. Morgan & Co., and shall have, in addition to materials on hand and inventories, a working capital of \$60,000,000 to be represented by cash or bills and accounts receivable, guaranteed as aforesaid."

8. The amount and the classes of capital stock of Purchasing Company shall be determined after the ascertainment of the aggregate value of all its assets and properties, amount to be satisfactory to J. P. Morgan & Co. The capital stock, if only of one class, not to exceed \$120,000,000; if preferred and common, the preferred to be not more than \$120,000,000.

7 9. Purchase to be effective on such day in September,

## IV

1902, as shall be designated by Purchaser with the approval of Morgan & Co. The appraisals to be as of such date as nearly as practicable. Performance of contract to be completed prior to Jan. 1, 1903.

10. Charter of the Purchasing Company shall provide that capital stock shall not be increased or diminished, or any mortgage placed on its property, without the consent of two-thirds of each class of capital stock; also, that stockholders may enter into a voting trust for a limited period.

8 11. The Vendor agrees that the stock of the Purchasing Company issued for its property shall be deposited with Morgan & Co., or a trust company designated by them upon a voting trust—one trustee to be J. P. Morgan or George W. Perkins and the other two persons designated by J. P. Morgan & Co.—for a period of 10 years subject to termination at the end of 5 years by vote of a majority of the trustees. The voting trust agreement to be subject to the approval of Morgan & Co. Vendor agrees that it and its stockholders will refrain from selling at least 80 per cent. of the stock received by them under this agreement, or otherwise, during the first year after issuance, and at least 60 per cent. during the second year, 40 per cent. during the third year, and one-third during the continuance of the voting trust; and as a guarantee thereof Vendor and its stockholders shall pledge with Morgan & Co. stock or trust certificates equal to the proportion they agree to continue to own, one third of the total holdings to remain pledged during the existence of the voting trust. All stock offered for sale during the first year to be offered to J. P. Morgan & Co. at a price named in writing before sold to others.

9 12. Contract may be transferred by the Purchaser to Purchasing Company, which may thereupon enforce all its provisions.

13. Individual holders of majority of capital stock of Vendor shall guarantee performance of this contract, and all capital stock of Vendor shall be deposited with Morgan & Co. to be delivered to the Purchaser; the original stockholders, however, to be entitled to all payments thereafter made on such stock.

14. Purchaser undertakes to secure the appointment of J. P. Morgan & Co. as fiscal agents of the Purchasing Company and their acceptance. All disputes as to the meaning of this contract, or its performance, to be left

- IV to J. P. Morgan or George W. Perkins for final decision as so arbitrated.
- 10 15. Provides for appointing successors for appraisers, accountants and voting trustees, in case they fail or cease to serve.
- I 308 Pet. Exh. 62—Agreement, dated July 28, 1902, between Deering Harvester Company and Lane, substantially the same as Pet. Exh. 1, provides for transfer of Vendor's IV properties and \$16,000,000 receivables.
- 11 Pet. Exh. 2—Agreement, dated July 28, 1902, between Plano Mfg. Co. and Lane, provides for transfer of Vendor's property, including \$4,000,000 receivables. Provisions identical with Pet. Exh. 1, except no agreement by Vendor or its stockholders to refrain from selling any part of stock of Purchasing Company to be received by them.
- 20 Pet. Exh. 3—Agreement, dated July 28, 1902, between Warder, Bushnell & Glessner Co. and Lane, provides for transfer of Vendor's properties, including \$1,000,000 receivables. Provisions substantially identical with Pet. Exh. 1, except, no agreement that Vendor or its stockholders refrain from selling any part of their stock in the Purchasing Company during first five years.

*Members of Executive Committee I. H. Co.*

- 69 Pet. Exh. 9.—Executive Committee of I. H. Co., Aug. 13, 1902, to Nov. 23, 1906:

Charles Deering, James Deering, John J. Glessner, William H. Jones, Cyrus H. McCormick, Harold F. McCormick, George W. Perkins. Charles Deering, Chairman, Aug. 13, 1902, to Feb. 5, 1904. John J. Glessner, Chairman, Feb. 5, 1904, to Nov. 23, 1906. On Nov. 23, 1906, the Executive Committee was abolished.

I

*Supplemental Agreements August 11, 1902.*

- 318-321 Pet. Exh. 63—Supplemental agreement Aug. 11, 1902, between McCormick Harvesting Machine Co., Vendor, and Wm. C. Lane, Purchaser: Recites agreement of July 28, 1902, and provides: (1) Vendor shall convey all its properties and assign to Purchaser all its receivables subject to original agreement; (2) Purchaser shall prepare a statement of such receivables and if they exceed \$20,000,000

## I

the excess shall be held for the vendor's account; (3) Capital stock of the Purchasing Company shall not, prior to Jan. 1, 1903, be issued to an amount exceeding 62½ per cent. of aggregate of money and cash assets acquired by company as ascertained by Board of Directors; (4) Upon conveyance of Vendor's property, Purchaser shall deliver to Morgan & Co. stock certificates in opinion of Morgan & Co. necessary for ultimate delivery to Vendor in payment for the property; (5) Purchase price shall be ascertained as provided in original agreement and, notwithstanding immediate transfers, the purchase shall, as to adjustment of price, be as of such day in Sept., 1902, as Morgan & Co. approve; separate accounts to be kept as may be necessary to ascertain profits for year ending Nov. 30, 1902; (6) Original agreement continues in force, except as here modified, any questions to be determined by Morgan & Co. sole arbitrators.

- 322-325 Similar Agreements with Plano Mfg. Co. (Pet Exh. 64), (except receivables \$4,000,000 instead of \$20,000,000),  
 325-328 with Deering Harvester Co. (Pet. Exh. 65) (except receivables \$16,000,000 instead of \$20,000,000) and with  
 328-331 Warder, Bushnell & Glessner Co. (Pet. Exh. 66), (except no bills and accounts are mentioned and it provides that vendor shall pay to purchaser \$1,000,000 in cash in lieu of any receivables).

## IV

*Incorporation of International Harvester Company.*

- 36 Pet. Exh. 5—Certificate of Incorporation of I. H. Co. filed Aug. 12, 1902, issued by the State of New Jersey. Objects of corporation: to manufacture, sell and deal in harvesting machinery, agricultural machinery, engines, wagons, motor vehicles and vehicles of all kinds, and to manufacture and deal in any materials used in connection therewith, and to conduct its business in all states  
 42 and in foreign countries. Incorporators, Abram M. Hyatt, Geo. W. Hebard, Roland R. Dennis, Edward M. F. Miller, Robert S. Green and Erastus M. Cravath.  
 43 Original capital \$120,000,000, all of one class; Jan. 8, 1907, certificate amended by dividing (without increasing) stock into \$60,000,000, 7 per cent. cumulative preferred, and \$60,000,000 common. Jan. 28, 1910, amendment increasing capital to \$140,000,000, \$60,000,000 preferred and \$80,000,000 common.

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270 Letter of Wm. C. Cox, Secretary of the Standard Trust Company, to Guthrie, Cravath & Henderson, dated Aug. 12, 1902, giving the incorporators of the I. H. Co. checks for \$10,000 apiece, charged to the incorporators' individual accounts, and also enclosing a check to Secretary of the State of New Jersey for \$24,000, charged to the Harvester Company.

339-359 Testimony of ABRAM M. HYATT, EDWARD M. F. MILLER and ERASTUS M. CRAVATH shows that they were incorporators acting under the direction of Guthrie, Cravath & Henderson; that they acted as incorporators and directors until the meeting of Oct. 12, 1902, at which time the permanent directors were elected; and that they now have no specific recollection of the various meetings and actions taken.

348-354 J. P. COTTON, JR.:

In Aug., 1902, I was a law clerk for Guthrie, Cravath & Henderson, and attended to certain details of the I. H. Co.'s incorporation. The purpose of using Lane was not determined by me, nor do I recall that anybody told me the purpose. I am unable to state why the corporation was organized in New Jersey, instead of Illinois. I never heard of the question coming up as to the cases in Illinois relating to combinations of competing manufacturers. There was some question as to incorporating in New York and New Jersey, that I worked up.

Cravath, Henderson & de Gersdorff were counsel for Lane and Morgan & Co., and later became counsel for the I. H. Co. So far as I know, was not counsel for the incorporators.

I have attended stockholders' meetings, at which I held proxies for 1,999,983 shares—all the stock of the voting trustees. I followed their instructions.

## IV

*By-Laws of I. H. Co.*

51-63 BY-LAWS of I. H. Co. 1902. Art. II, Sec. 1. Company shall be managed by 18 directors. Art. III, Sec. 2. Executive Committee of 7, including President, elected from directors, to possess all powers of directors between meetings. Art. III, Sec. 3. Finance Committee of 5 mem-

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bers, including President, elected from directors, to exercise all power between directors' meetings in financial affairs, including purchases of property. (Pet. Ex. 6-A.)

91 Pet. Exh. 12-C. BY-LAWS 1904 same as 1902, except creates new position, Chairman of Board.

63 Pet. Exh. 6-B. BY-LAWS Sept. 7, 1910, in substance same as 1902 (Pet. Ex. 6-A) except: Executive Committee abolished and Finance Committee increased from 5 to 6; Board may appoint Vice-Presidents, with nominal positions only; General Manager and assistant given charge of operations, subject to direction of President.

I 116 By-laws amended Nov. 23, 1906, making five directors  
117 a quorum and affirmative vote of five necessary for passage of any resolution, and creating Finance Committee of six members with general charge of all financial affairs; the treasurer, secretary and comptroller to be under its control, and it to exercise all powers of directors in intervals between meetings; the chairman to exercise power of Finance Committee between meetings; all compensations to be fixed by it.

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*Directors and Officers of I. H. Co.*

66 Pet. Exh. 8.—Directors 1902-1912. Aug. 12, 1902: Abram M. Hyatt, George W. Hebard, Roland R. Dennis, Edward M. F. Miller, Robert S. Green, Erastus M. Cravath.

George F. Baker, Charles Deering, James Deering, Elbert H. Gary, John J. Glessner, Richard F. Howe, William H. Jones, Cyrus H. McCormick, Harold F. McCormick, Geo. W. Perkins, Norman B. Ream, Charles Steele, Aug. 12, 1902, to 1912; Cyrus Bentley, Paul D. Cravath, 1902-1909; William Deering, 1902-1906; Eldridge M. Fowler, 1902-1904; Stanley McCormick, 1902-1909; Leslie D. Ward, 1902-1910; Edgar A. Bancroft, 1909-1912; Thomas D. Jones, 1909-1912; William J. Calhoun, 1906-1910; William J. Louderback, 1910-1912; John P. Wilson, 1905-1912; John A. Chapman, 1909-1912; William L. Saunders, 1911-1912.

The office of chairman of Board was created Feb. 5, 1905, and Charles Deering has since held said office.

70 Pet's Ex. 10—Finance Committee of I. H. Co., Aug. 13, 1902, to date:

George W. Perkins, Chairman; George F. Baker,

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Charles Deering, Cyrus H. McCormick, Norman B. Ream. Elbert H. Gary elected Oct. 29, 1906.

- 65 Pet.'s Ex. 7—Officers of I. H. Co., Aug. 12, 1902; President, Edward M. F. Miller; Vice-President, Robert S. Green; Secretary, Erastus M. Cravath; Treasurer, Erastus M. Cravath.

Aug. 12, 1902, to Oct. 29, 1906: President, Cyrus H. McCormick; Vice-Presidents, James Deering, Harold F. McCormick, John J. Glessner, William H. Jones; Secretary, Richard F. Howe; Treasurer, Richard F. Howe.

Oct. 29, 1906, to date: President, Cyrus H. McCormick; Vice-Presidents, James Deering, Harold F. McCormick, John J. Glessner, William H. Jones; Secretary, Richard F. Howe (resigned Sept. 12, 1911); Treasurer, Harold

I F. McCormick.

*Acquisition of Properties—Minutes and Documents.*

- 98-99 Minutes of Directors of I. H. Co. Aug. 12, 1902. Present: Directors Hyatt, Hebard, Dennis, Miller, Green and E. M. Cravath. Dennis, Hebard and Green appointed Committee to consider:

Proposition from Lane dated Aug. 12, 1902, addressed to I. H. Co., offers plants, good will and other property (excepting cash and receivables of Warder, Bushnell & Glessner and Milwaukee Companies) of McCormick, Deering, Plano, Warder, Bushnell & Glessner and Milwaukee Companies for \$132,000,000; agrees to furnish \$60,000,000 working capital, to be represented by receivables of manufacturers (except Warder, Bushnell & Glessner and Milwaukee) guaranteed to your satisfaction or in cash or partly in cash. Offers this property aggregating \$192,000,000 for \$120,000,000 capital stock of I. H. Co.; but if before July 1, 1903, stock be issued to represent Company's surplus of \$60,000,000, such additional stock must be common and issued to owners of \$120,000,000 *pro rata*, and, thereupon, the latter stock shall be preferred.

Encloses conveyances to Lane by McCormick, Deering, Plano, Warder, Bushnell & Glessner and Milwaukee Companies; a conveyance by Lane of the properties of said manufacturers; a separate agreement with reference to the payment of said sum of \$60,000,000; and agreement between I. H. Co. and Lane that if receivables exceed amount specified, the excess be paid Lane.

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*I. H. Co. Directors' Minutes, Aug. 13, 1903.*

101 The Committee appointed to consider Lane's proposition reported that upon their invitation Mr. Lane and  
 102 E. H. Gary of the U. S. Steel Corporation were present and explained the value and earning power of the properties. The report advises the acceptance of Mr. Lane's offer and states:

That the five properties mentioned in Mr. Lane's offer are the most important in their line of business in the U. S., and that each has for several years enjoyed a prosperous, profitable and growing business and that their combined sales exceed \$50,000,000 a year. Each plant is believed to be in excellent condition and supplied with all the facilities necessary for effective manufacturing. \* \* \* The properties are in the Committee's  
 103 opinion worth to this company \$132,000,000, the price mentioned in Mr. Lane's offer, and they recommend their acquisition by the company, together with the \$60,000,000 of working capital, which because of the long terms of credit in the harvester business is not excessive, at the aggregate price of \$192,000,000 payable by the issue of \$120,000,000 of the company's capital stock.

Judge Gary and Mr. Dennis gave further information as to values and earning capacity, and the following resolution was unanimously adopted:

That the properties offered are necessary for the Company's business and worth at least \$132,000,000; that the  
 104 Company accept Lane's proposal; that the officers issue to Lane certificates for 1,200,000 shares of stock less \$60,000 subscribed for by the incorporators; that the Treasurer enter the properties other than the \$60,000,000 working capital at \$132,000,000 and establish a surplus account of \$72,000,000.  
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106 Resolutions were adopted increasing the directors from 6 to 18; making 7 a quorum. Permanent directors elected,  
 109 and Cyrus H. McCormick elected President, Richard F. Howe, Treasurer, and Harold F. McCormick, James Deering, William H. Jones and John J. Glessner Vice-Presidents; Charles Deering, Chairman of the Executive Committee, and Harold F. McCormick, James Deering, William H. Jones, John J. Glessner, Cyrus H. McCormick  
 110 and George W. Perkins members thereof.

Bentley and Burling appointed general counsel; Pam,



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- 111 Calhoun & Glennon, Chicago Counsel, and Guthrie, Cravath & Henderson in New York. J. P. Morgan & Co.,  
 112 Fiscal Agents. George W. Perkins elected Chairman and Norman B. Ream a member of Finance Committee.

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- 179-181 Defts'. Ex. 1—Deed of the McCormick Harvesting Machine Company, dated Aug. 12, 1902, to Wm. C. Lane, conveying all its property and assets.  
 181-189 Defts'. Ex. 2, 3, 4, and 5—Similar deeds from Deering Harvester Company, Warder, Bushnell & Glessner Co., Plano Mfg. Co. and Milwaukee Harvester Co.  
 190-191 Defts'. Ex. 6—Deed of Wm. C. Lane and wife to I. H. Co., Aug. 13, 1902, conveying all of the property theretofore conveyed to Wm. C. Lane by above deeds.

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- 248 Petr.'s Ex. 39—Agreement, Aug. 13, 1902, between I. H. Co. and Lane: The Company has acquired from Lane the receivables of the McCormick, Deering and Plano companies. Lane has agreed to pay the Company \$60,000,000, in such receivables or in cash, as Lane elects. If Company collects upon the receivables, amounts exceeding: McCormick \$20,000,000, Deering \$16,000,000, Plano \$4,000,000; it will pay such excess to Lane. Lane guarantees that Company shall realize face value and interest, by March, 1905. Collections shall be made by Company but expenses borne by Lane. Lane agrees to advance the Company on demand such amounts as its Directors determine necessary in its business, and Company shall transfer to Lane an equal amount in receivables. Company shall furnish Lane statements showing receivables remaining unpaid. Lane may acquire the receivables at any time by paying Company in cash their face value and interest. Lane may be relieved of obligations under this contract by substituting such other security as shall be approved by Company.

*I. H. Co. Directors' Minutes, Aug. 13, 1902.*

- Resolved, that the officers take charge of the manufacturing plants as follows: McCormick Plant, Harold F.  
 113 McCormick; Deering Plant, Richard F. Howe; Plano Plant, William H. Jones; Champion Plant, John J. Glessner.

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*Morgan & Co.'s Subscription to Stock.*

250 Pet. Ex. 40—Contract between Lane and Morgan &  
 251 Co. Aug. 13, 1902: Lane wishes to procure from two parties \$22,500,000 in cash, and agrees to sell and deliver \$22,500,000 I. H. Co. stock trust certificates for \$25,500,000 in cash (to be also in full payment of services of second parties), and to pay second parties their disbursements and expenses for counsel, appraisers and expert accountants.

253-254 Pet. Ex. 40-D—Letter of Morgan & Co. to Lane, Aug. 14, 1902, sends check for \$13,500,000, on account of purchase of \$25,500,000 stock trust certificates, and requests delivery to Morgan & Co. against this payment of \$16,500,000 stock trust certificates; remaining \$9,000,000 of certificates to be delivered as cash is paid.

Pet. Ex. 40-E—Letter of Lane to Morgan & Co., Aug. 15, 1902, acknowledges \$13,500,000 check and consents to delivery of certificates for \$16,500,000; the remaining \$9,000,000 to be delivered as the purchase price is paid.

Pet. Ex. 40-F—Letter from Lane to Morgan & Co. (same as Pet. Ex. 45) Aug. 15, 1905, enclosing check for \$3,148,196.66 to cover advances of Morgan & Co. "by way of remittances to Milwaukee upon my order."

Pet. Ex. 40-G—Letter of Lane to Morgan & Co. Aug. 15, 1902, enclosing check for \$351,803.34, to be used as a deposit account.

400 W. P. Hamilton: Pet. Ex. 61 is an entry on Morgan & Co.'s books, showing that we paid \$13,500,000 for 165,000 shares of stock trust certificates.

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*Voting Trust.*

29 Pet. Ex. 4—Voting Trust Agreement dated Aug. 13, 1902, between Wm. C. Lane, and George W. Perkins, Charles Deering and Cyrus H. McCormick, the voting trustees: Recites delivery to the voting trustees of entire capital stock of \$120,000,000, except directors' shares; and provides for issuance of stock trust certificates; for  
 31 termination at any time after Aug. 1, 1907, by vote of a majority of the trustees, and, in any event, on Aug. 1,  
 32 1912; for holding any additional shares issued in the future; that in case of death or resignation the successor to George W. Perkins to be appointed by J. P. Morgan & Co.; the successor to Charles Deering by James Deering

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- 33 or Richard Howe, and the successor to Cyrus H. McCormick by Harold F. McCormick or Stanley McCormick; that majority vote govern; that trustees shall vote all stock held by them and exercise all rights of ownership, stock trust certificates having no voting rights. The voting trustees are prohibited from authorizing any mortgage or increase or diminution in capital stock, except with consent of the holders of two-thirds of each class of stock; provided, that trustees may, prior to July 1st, 1903, authorize an increase of capital stock to an amount not exceeding \$180,000,000.

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- 95 Stipulation: That minutes of stockholders' meetings of I. H. Co. from Aug., 1902, to April, 1913, show that Geo. W. Perkins, Cyrus H. McCormick and Charles Deering were joint owners of all the shares of its capital stock (except the few shares necessarily held by the other 15 directors); that at each meeting of the stockholders the block of stock owned jointly by the three persons named was represented by proxy and cast in one vote.

*Deposit of Stock.*

- 255 Pet. Exh. 40-H—Letter of Cyrus H. McCormick to Lane Aug. 11, 1902, states that he is depositing with Morgan & Co., subject to Lane's order, stock of McCormick Co.: that depositors shall be entitled to receive from the Company all payments upon the stock "on account of their distributive shares of the purchase price, payable by you as the purchaser of the property of said Company, and of all other proceeds of such stock. Subject to this right, stock may be disposed of by Lane as he sees fit."
- 255 Pet. Ex. 40-I—Letter of J. J. Glessner to Lane, Aug. 11, 1902 (identical with above), depositing Warder, Bushnell & Glessner stock.
- 256 Pet. Exh. 40-J—Letter of W. H. Jones to Lane Aug. 11, 1902 (identified with above), depositing Plano Mfg. Co.'s stock.
- 267 Pet. Exh. 47-B—Letter of Harold F. McCormick to Lane Aug. 11, 1902 (identical with above) depositing stock of McCormick Co.
- 295 Pet. Exh. 57—Unsigned agreement Aug. 13, 1902, between such owners of I. H. Co. stock trust certificates as deposited their stock with Morgan & Co., first parties, and

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McCormick & Co., second parties, such certificates to be delivered only as follows: 25 per cent. Sept. 1, 1903; 25 per cent. Sept. 1, 1904; 10 per cent. Sept. 1, 1905; 40 per cent. on termination of voting trust agreement.

297-300 Pet. Exh. 58—Similar unsigned agreement entitled Cyrus H. McCormick and others and J. P. Morgan & Co.

301-304 Pet. Exh. 59—Similar unsigned agreement entitled Charles Deering and others and J. P. Morgan & Co.

398 WILLIAM P. HAMILTON (member of Morgan & Co.): Exhibit 57 was unsigned, being only a preliminary draft.

399 I understand that Exhibits 58 and 59 apply to all the stock deposited; but I do not find any actual signers to the agreement. The depositors under these agreements were (Pet. Ex. 68) Nettie F. McCormick, Cyrus H. McCormick, Anita McCormick Blaine, Harold F. McCormick, Stanley McCormick, Deering Harvester Company.

400 Pet. Exh. 60—Statement of I. H. Co. stock trust certificates held on deposit by Morgan & Co.

|           |                |
|-----------|----------------|
| Jan. 1903 | 59,760 shares  |
| 1904      | 547,925 shares |
| 1905      | 568,820 shares |
| 1906      | 475,573 shares |
| 1907      | 475,573 shares |

|                                            |                |
|--------------------------------------------|----------------|
| Delivered to Standard<br>Trust Co. in 1907 | 475,573 shares |
|--------------------------------------------|----------------|

|                                                       | Common        | Preferred     |
|-------------------------------------------------------|---------------|---------------|
| Received in exchange voting<br>trust certificates for | 237,786½ shs. | 237,786½ shs. |
| Jan. 1908 Held on deposit                             | 276,794½ shs. | 113,122½ shs. |
| 1909 Held on deposit                                  | 132,097 shs.  | ..... shs.    |
| 1910 Held on deposit                                  | 258,810 shs.  | 36,959 shs.   |
| 1911 Held on deposit                                  | 258,810 shs.  | 36,959 shs.   |
| 1912 Held on deposit                                  | 244,691 shs.  | 51,159 shs.   |
| Sept. 12, 1912, None on hand                          | .....         | .....         |

## APPRAISALS.

*Agreement for Board of Appraisers.*

280-282 Pet. Exh. 50—AGREEMENT March 24, 1903, between Plano Co. and Lane recites contract of July 28th and Aug. 11th, 1902, and agrees that only one Board of Appraisers be appointed, but shall not appraise malle-

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able, railway or other property, which is to be appraised by J. P. Morgan or Geo. W. Perkins under main agreement; that value of patents and good will shall be profits for full years of 1901 and 1902; that capital be increased beyond \$120,000,000 by the excess, if any, over \$53,000,000 of aggregate value of assets of McCormick, Deering, Plano and Champion Companies, including patents, good will, trade names, but excluding receivables.

283-291 Pet. Exhs. 52, 53 and 54—Similar agreements with McCormick Co., Warder, Bushnell & Glessner Co., and Charles Deering, James Deering and Richard F. Howe.

*Contract of Aug. 17, 1903.*

273 Pet. Ex. 49—Agreement of Aug. 17, 1903, between McCormick, Deering, Warder, Bushnell and Plano companies, Vendors, first parties, William C. Lane, purchaser, second party, and I. H. Co., third party, recites agreements of July 28, 1902, Aug. 11, 1902, and Mar. 24, 1903.

Lane has transferred to I. H. Co. all the properties received under such contracts and has deposited with Morgan & Co. stock trust certificates for \$53,250,000 to provide the purchase price to the respective Vendors for the property other than cash and accounts receivable transferred. Lane also deposited with Morgan & Co. \$40,000,000 stock trust certificates for delivery to McCormick Co., \$20,000,000; Deering Co., \$16,000,000; and Plano Co., \$4,000,000 as payment for the receivables as collected. The appraisers provided for in the contracts have been appointed but have made no appraisals. Vendors have agreed that the amounts to be received by them for their respective properties should be determined by George W. Perkins. Therefore, appraisal provided for in the contracts is waived and Vendors agree to accept in full payment for the properties other than cash and accounts receivable stock as follows: McCormick Company, \$26,321,656.86; Deering Company, \$21,362,554.64; Champion Company, \$3,372,185.91; Plano Company, \$2,193,603.09.

277-279 The I. H. Co. agrees to pay certain specified indebtedness of McCormick and Deering companies, these companies guaranteeing against any other encumbrances and the Champion and Plano also guaranteeing against encumbrances. I. H. Co. agrees to pay cash for vendors' property in Australia and to pay Plano Co. \$100,000 in cash.

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Morgan & Co. shall deliver to Vendors 90 per cent. of trust certificates to which they are entitled, balance to remain on deposit pending delivery of deeds.

- 478 W. M. REAY: Comptroller of I. H. Co. since 1907; assistant since Jan. 1904. Before that I was one of the Chicago managers of Jones, Caesar & Co., accountants. Price, Waterhouse & Co. are their successors.

*Appraisal Under His Direction.*

- The appraisal of the Harvester properties began in  
479 Aug., 1902, and was completed about May, 1903, under my direction but subject to Mr. Arthur L. Dickinson's approval.

There were three features of the appraisal: (1) Real Estate and Plants; (2) Inventories, Raw Materials, Supplies, Work in Progress and Finished Products; and (3) Good Will and Patents.

*Values—How Ascertained.*

- In valuing good will and patents, we ascertained the profits for the seasons 1901 and 1902. For the real estate and plants, appraisal companies were appointed to  
480 make complete and exhaustive investigations into the values and they were made. The accountants supervised the work of the appraisal companies so that we could vouch for it. The inventories at the Works were taken under the actual supervision of the accountants. Then, in making up the report, good will and patents, plants and inventories, were summarized. There was one report for each company.

- 512 The documents (Pet. Exh. 69, 70, 71 and 72) summarize the appraisals made in 1902 and 1903, of the properties of the Deering, McCormick, Plano, and Warder, Bushnell & Glessner companies, except such as did not come under  
513 our supervision; for instance, the steel group and timber lands were reserved for special appraisal. Receivables formed no part of the investigation. These appraisals related solely to physical properties, plus good will.

*Profits of Vendor Companies.*

The profits of the Deering Co. for 1898, 1899, eight months of 1900, 1901 and 1902, before charging collection expenses, interest on loans or crediting interest on har-

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vester notes and accounts, and before making provision for depreciation or bad debts, as shown on Exh. 69, are as follows: 1898, \$4,167,791.03; 1899, \$4,513,919.38; 1900 (8 months), \$3,970,951.34; 1901, \$3,130,269.22; 1902, \$4,401,578.03. The shorter period for 1900 arose through a change in bookkeeping.

514 Exh. 70 shows profits of McCormick Co.: 1898, \$4,799,811.42; 1899, \$4,751,828.47; 1900, \$4,829,229.72; 1901, \$5,185,191.71; 1902, \$5,401,270.61.

Pet. Exh. 71 shows profits of Warder, Bushnell and Glessner Company: 1898, \$778,852.35; 1899, \$764,623.63; 1900, \$296,217.73; 1901, \$299,183.80; 1902, \$370,517.40.

515 Its management's salaries were: 1898, \$45,000; 1899, \$58,800; 1900, \$71,000; 1901, \$71,000; 1902, \$71,000, paid to A. S. Bushnell, Pres.; J. J. Glessner, V.-P.; G. B. Glessner, Sec. and Treas.; R. C. Haskins, Chicago Mgr.

Pet. Exh. 72 shows profits of Plano Co.: 1898, \$628,211.79; 1899, \$605,136.97; 1900, \$141,872.87; 1901, \$59,430.86; 1902, \$110,329.39.

516 Its management's salaries were: 1898, \$20,800; 1899, \$25,800; 1900, \$32,200; 1901, \$32,200; 1902, \$38,699.90, paid to W. H. Jones, Pres.; S. J. Llewellyn, 1st V.-P.; W. C. Jones, 2nd V.-P.; O. W. Jones, Sec. and Treas.

### *Cross-Examination.*

#### *Methods Employed to Ascertain Value of Properties.*

Mr. REAY. The instructions to the accountants were to ascertain the values of all the physical properties of these four companies. Certain appraisal companies had been appointed for the real estate, plant property, machinery and equipment, agency warehouse property and other property of that character; the American Appraisal Co. to value the plant property and other real estate of the  
517 Warder, Bushnell & Glessner Co. To appraise the Deering and McCormick properties of a similar nature, the American Appraisal Co. and the Manufacturers' Appraisal Company were employed. The Manufacturers' Appraisal Co. also appraised the Plano properties.

I understand Morgan & Company employed Jones, Caesar & Company; the instructions came through Mr. Perkins. The appraisal companies had no relation whatever with any of the four harvesting companies. It was the duty of the accountants to insure fair and reasonable

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appraisals, to prevent any tampering with the appraisal companies. The appraisals were entirely independent of the four vendor companies, by disinterested concerns. Jones, Caesar & Co. was one of the recognized leading firms of accountants in the U. S. The two appraisal companies were of the highest standing. Their business was to appraise large properties.

- 518 Acting for Jones, Caesar & Co. I gave directions to the appraisal companies. They were instructed to make such depreciation from values to arrive at a fair present value. The most reliable, reputable and scientific appraisers for each class of property were obtained.

The valuation of the railroad, ore and timber properties was to be done by Morgan & Co.

- In the summaries were inserted merely the book values for the properties reserved, with the exception of the railroad we mentioned. So with respect to the ore property and timber property, these reports carry only the actual amount invested in them, as shown by the books of the companies. The Illinois Northern Rv. was appraised by 519 the American Appraisal Co. and by J. E. Gorman, Gen. Freight Agent of the Atchison, Topeka & Santa Fe Railroad, a very competent valuer.

It was our duty as accountants not only to see that fair value was placed upon everything but to make doubly sure that no vendor received credit for a dollar more than he was entitled to on a reasonable basis.

To insure correct inventories of raw materials, the accountants issued instructions that the plants be closed down as of September 30, 1902, and an inventory was taken under their direct supervision. We did not rely upon any one's word for anything. The property of the Warder, Bushnell & Glessner Co. is situated in Springfield, Ohio; they also had agency warehouses located in some cities throughout the U. S. In general, the properties belonging to these companies were scattered all over the United States.

### *Voluminous and Detailed Reports made*

- 520 At that time the companies had not begun expanding the foreign trade and did business principally through jobbers abroad, so they had a relatively small amount of inventories scattered throughout Europe and other foreign countries. The property outside of the U. S. prac-



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tically was all inventories of machines. Their real estate of these companies was scattered throughout the U. S. The agency warehouse properties of the Deering and McCormick companies were each valued by the Manufacturers' Appraisal Co. and the American Appraisal Co. These companies sent representatives to the agency and made their inventories on the ground. Very voluminous and detailed records were made of the work as it progressed. The detailed records of the American Appraisal Co. were produced in court for the Deering Company only and there were 19 books of it. The Manufacturers' Appraisal Co., in covering the Deering properties, 521 used 11 books. The American Appraisal Co. used 18 books for the McCormick Co. Four books were used on the Plano Co. and seven on the Warder, Bushnell & Glessner Co. The two appraisal companies acted entirely independent of each other. It was part of our duty to see that the representatives of the appraisal companies did not confer with each other. I do not know that any other appraisal ever compared with this one in the care and scientific character of the work that was done.

I have made a tabulation which shows the appraisals of these properties, carrying the actual cash paid for the ore and timber properties. The value of the Champion 522 property as found by these appraisers was \$4,637,498.01. The average of the two appraisals on the Deering property amounted to \$27,237,195.36. The average of the two appraisals on the McCormick property was \$39,668,157.39. The Plano \$3,068,667.80.

I have included the value of pending contracts in these figures. Taking the physical properties of these four companies, estimating the good will as it was estimated, the aggregate value found by these appraisals was \$74,-611,518.56. That takes no account of bills receivable.

The value of the McCormick properties was \$39,668,-157.39 and if we should add the bills receivable it would amount to almost double that. The net profit of the Mc- 523 Cormick Co. for 1901 would be very much less than \$5,185,-191.71, because that included the profits before making many deductions which should be made before arriving at the net trading profits.

*Re-direct Examination.**McCormick and Deering Profits.*

- I have not on the appraisals put the items such as collection expenses, depreciation, etc., which should be deducted from the net profits. The four items which should be deducted in determining the actual trading profits would be collection expenses, interest on loans, provision for depreciation, or bad debts. On the next page the figure for collection expenses on notes is \$656,700.82, and the collection expenses on accounts is \$163,070.63. The interest on loans by the McCormick family is \$122,247.70 which should be deducted. The actual amount of depreciation which should be deducted for 1902 would be considerably more than the \$46,823.72 given in the report. The amount of bad debts written off is \$202,536.50. That is the amount that was shown in the books as having been written off; it was not necessarily the correct amount to write off. From the profits should be deducted the proper amounts representing these various items. Those are the items which were eliminated in arriving at the amount of profits shown in this statement. To that was added the interest received on notes and accounts receivable which, according to this report, amounted to \$843,704.19.
- We never gave the net profits of the McCormick Co. because we never ascertained them. The figure 358,000 appearing on the page you indicate presumably comes from the books of the McCormick Co. It is a total of certain items which were eliminated from the statement of profits in arriving at the good will. It is not necessarily the correct amount to deduct from the gross profits to arrive at the net profits of the McCormick Co. Presumably, that figure was taken from their books. The \$358,000 presumably was the collecting expenses, interest on loans to the McCormick family, depreciation or bad debts. This \$358,000 as shown by the books was not necessarily the only amount to be subtracted from the profit of \$5,401,000. Their books might have shown other deductions which are not recapitulated in this report.
- We have named the principal items in this report but the amounts stated against those particular items are not the total amounts which should have been deducted in arriving at the net profits of that company. According to

I

the 1901 report the items excluded under the instructions for the season 1901 were \$340,455.33.

The Deering profits for 1902 are \$4,401,000. In this report the amount of items excluded under the instructions for 1902 was \$571,501.99. Subtracting that from \$4,401,000 would leave a little less than \$3,900,000.

*Detailed Appraisal Books Produced.*

528 Counsel for defendants, at the request of petitioner's counsel, produced the report of Jones, Caesar & Company, accountants, as to the properties of the Plano Manufacturing Co., with 4 books containing detailed statements and appraisals of the Manufacturers' Appraisal Co.; also the report of Jones, Caesar & Co. as to The Warder, Bushnell & Glessner Co., with 7 books containing the detailed statements and appraisals of the American Appraisal Co.; also the report of Jones, Caesar & Co. as to the properties of the McCormick Co., with 33 books containing detailed statements and appraisals of the American Appraisal Co. and the Manufacturers' Appraisal Co.; also the report of Jones, Caesar & Co. as to the Deering Co. properties, with 30 books containing detailed statements and appraisals of the American Appraisal Co. and Manufacturers' Appraisal Companies.

(For the material portions of the appraisements see Vol. IV, p. 209 *et seq.*)

IV

*Appraisals of Jones, Caesar & Co., Accountants.*

197-207 Pet. Ex. 69—Appraisal of DEERING HARVESTER Co. by Jones, Caesar & Co.:

Value of tangible assets, investments (not including receivables) and good will, Sept. 30, 1902:

Appraisal No. 1. Appraisal No. 2.

|                     |                 |                 |
|---------------------|-----------------|-----------------|
| Tangible assets and |                 |                 |
| investments         | \$17,985,831.10 | \$19,154,381.87 |
| Good will           | 8,285,031.97    | 8,285,031.97    |
|                     | <hr/>           | <hr/>           |
|                     | \$26,270,863.07 | \$27,439,413.84 |

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208-218 Pet. Ex. 70—Appraisal of McCORMICK HARVESTING MACHINE Co.:

Value of Tangible Assets, Investments (not including receivables) and Good Will, Sept. 30, 1902:

Appraisal No. 1. Appraisal No. 2.

|                     |                 |                 |
|---------------------|-----------------|-----------------|
| Tangible Assets and |                 |                 |
| Investments         | \$28,509,666.03 | \$26,218,556.11 |
| Good will           | 11,645,108.55   | 11,645,108.55   |
|                     | <hr/>           | <hr/>           |
|                     | \$40,154,774.58 | \$37,863,664.66 |

219-226 Pet. Ex. 71—Appraisal of WARDER, BUSHNELL AND GLESSNER Co. by Jones, Caesar & Co.:

Value of Tangible Assets, Investments (not including receivables) and Good Will, Sept. 30, 1902:

|                        |                |
|------------------------|----------------|
| Tangible Assets & Inv. | \$3,826,072.88 |
| Good Will              | 736,671.32     |
|                        | <hr/>          |
|                        | \$4,562,744.20 |

227-235 Pet. Ex. 72—Appraisal of PLANO MFG. Co. by Jones, Caesar & Co.:

Value of Tangible Assets, Investments (not including receivables) and Good Will, Sept. 30, 1902:

|                        |                |
|------------------------|----------------|
| Tangible Assets & Inv. | \$2,712,417.57 |
| Good Will              | 186,736.27     |
|                        | <hr/>          |
|                        | \$2,899,153.84 |

## I

### INTERNATIONAL HARVESTER COMPANY OF AMERICA.

*Plans for Marketing Products of I. H. Co.*

114 Directors of I. H. Co., at meeting of August 14, 1902, resolved that organization of local or auxiliary corporations, or other means of doing business locally in different states, to be referred to President and General Counsel

III with power.

332-335 Pet. Exh. 226—Report of Cyrus H. McCormick, Cyrus Bentley, Charles Deering, Committee, regarding best means of marketing products in U. S. and other countries, states that experience of American manufacturers abroad has demonstrated that in most European countries a local selling company is desirable because:

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*In Foreign Countries.*

332 1. In case of American manufacturers selling their products abroad, very serious questions of taxation arise in foreign countries, especially in Great Britain.

2. In several foreign countries there is a disposition to discriminate in placing orders against foreign corporations, so that a local corporation with a local name and organization is in a much more favorable position.

333 3. A local corporation is in a much more favorable position to enforce its contracts and protect its property in a foreign country than a foreign corporation. This is important, if, as we assume, it will be the policy to carry a considerable stock in the important foreign countries.

If the policy of having separate selling corporations in important European countries is adopted, we also recommend the organization of a separate corporation for North and South America. This is desirable because it is necessary that the corporation which sells in the United States shall obtain licenses in many states.

*In the United States.*

“For such a corporation as the International Harvester Company, with so large a proportion of its capital invested in manufacturing plants in other states and in working capital, to procure such permission in every state in the Union, in most of which states its only business is that of selling a small part of its products, will be a cumbersome and expensive process. Furthermore, we think that the business of the company will be simplified if its product is marketed by a series of selling corporations organized on the basis above outlined.”

*Formation of Selling Companies Recommended.*

The report recommends the formation of the following selling companies: International Harvester Company of America (North and South America and the West Indies); and companies in France, Great Britain,  
 334 Germany and Russia; recommends I. H. Co. of America have a capital of not less than \$1,000,000 nor more than \$2,000,000; states that I. H. Co. can obtain from Wm. C. Lane for a nominal consideration all the capital stock of the Milwaukee Harvester Company; that it has already obtained permission to do business in many states and territories; that such permission will continue even if its name be changed; recommends

## III

that I. H. Co. acquire, either in its own name or in the names of trustees for its stockholders, the capital stock of the Milwaukee Company; that then the corporate name be changed to "International Harvester Company of America"; that the I. H. Co. pay into its treasury, in cash or in property, an amount equal to the par value of its capital stock; that the directors of the I. H. Co. of America be the President, Chairman of Executive Committee, Chairman of Finance Committee, Vice-Presidents, Secretary and Treasurer of the I. H. Co. and Mr. Stanley McCormick; that it have, as nearly as possible, the same officers and executive organization as the I. H. Co. The contract between the two companies defining their relations, is submitted.

The foregoing plan involves the I. H. Co. of America taking over the selling and collection organization of the present company.

Committee recommends a contract with I. H. Co. of America for the collection of receivables already owned by the I. H. Co.

The foregoing report is not dated but counsel admits that it was made about September, 1902.

## IV

*International Harvester Co. of America—Organization.*

71-79 Pet. Exh. 11.—Articles of Association of the International Harvester Company of America, showing its organization under the laws of Wisconsin, Dec. 12, 1881, as Parker-Dennett Harvesting Machine Co. (Limited) with capital of \$100,000; March 8, 1882, name changed to Dennett Harvesting Machine Co.; Dec. 27, 1883, the capital stock increased to \$500,000; Nov. 14, 1884, name changed to Milwaukee Harvesting Co.; Jan. 30, 1893, capital increased to \$1,000,000; Sept. 5, 1902, name changed to International Harvester Company of America; Sept. 18, 1902, all existing articles stricken out and amended articles substituted, under which the corporation is given power to manufacture, sell and deal in harvesting machinery and agricultural machinery of all kinds, and in the materials used in connection therewith, and to conduct its business in all states and in foreign countries; capital stock \$1,000,000; directors, nine.

*By-Laws of I. H. Co. of America.*

80 Pet. Ex. 12-B—By-Laws of I. H. Co. of America, 1902.

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- 91 Pet. Exh. 12-D.—May 10th, 1907, by-laws abolish Executive Committee, and increase Finance Committee from three to four.
- 92 Pet. Exh. 12-A.—July 21st, 1910, by-laws abolish Finance Committee.

*Officers and Directors I. H. Co. of America.*

- 95 1903-1909: President, Cyrus H. McCormick; Vice-Presidents, James Deering, Harold F. McCormick, John J. Glessner, William H. Jones; Secretary and Treasurer, Richard F. Howe; Directors, Cyrus H. McCormick, Charles Deering, Harold F. McCormick, John J. Glessner, James Deering, Stanley McCormick, William H. Jones, Richard F. Howe, George W. Perkins.
- 96 1910-1911: President, R. C. Haskins; Vice Presidents, William Browning, Charles H. Haney; Secretary, E. N. Wood; Treasurer, W. M. Gale; Directors, E. A. Bancroft, William Browning, C. S. Funk, C. H. Haney, R. C. Haskins, C. H. Laufman, Alex Legge, W. R. Morgan, W. M. Reay.
- 1912: Same as 1910, except W. M. Gale succeeded W. R. Morgan.

*Executive Committee I. H. Co. of America, 1902.*

- 385 Charles Deering, Chairman (elected Sept. 1, 1902); Harold F. McCormick, W. H. Jones, J. J. Glessner, Richard F. Howe (Resigned 11/20/02), James Deering (Elected 11/20/02). Cyrus H. McCormick, George W. Perkins, ex-officio.

1903.

Charles Deering, Chairman (Resigned 2/5/04); Harold F. McCormick, W. H. Jones, J. J. Glessner, James Deering. Cyrus H. McCormick, George W. Perkins, ex officio.

1904.

J. J. Glessner, Chairman (Elected 2/5/04); Harold F. McCormick, W. H. Jones, James Deering. Cyrus H. McCormick, George W. Perkins, Charles Deering, ex officio.

1905.

J. J. Glessner, Chairman; Harold F. McCormick, W. H. Jones, James Deering. Cyrus H. McCormick, George W. Perkins, Charles Deering, ex officio.

1906.

- 386 J. J. Glessner, Chairman; Harold F. McCormick, W. H. Jones, James Deering. Cyrus H. McCormick, George W. Perkins, Charles Deering, ex officio.

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Note: Powers of Chairman rescinded by action of Board of Directors, 11/23/06. No Executive Committee after 11/23/06.

*Stock of America Co. in Trust for Stockholders of I. H. Co.*

- 94 Pet. Exh. 13.—Declaration of trust by George W. Perkins, Charles Deering and Cyrus H. McCormick, respecting capital stock of I. H. Co. of America, dated March 19th, 1903: Trustees declare that they hold 9,991 shares in trust solely for the stockholders of International Harvester Company as a class as from time to time constituted, and agree at any time, at request of majority of said stockholders, to transfer said shares to said stockholders or to their order in the same proportions as their respective holdings of stock of I. H. Co.

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*Minutes of Directors of I. H. Co. of America.*

- 217 Oct. 1, 1902: Glessner, Jones, Perkins, Stanley McCor-  
219 mick and Howe elected directors, Howe secretary and treasurer; Harold F. McCormick, James Deering, William H. Jones and John J. Glessner as vice-presidents; Charles Deering as Chairman of Executive Committee; 220 Perkins as Chairman of Finance Committee; and Harold F. McCormick, Howe, Jones and Glessner as members of Executive Committee. Resolved, that Harold F. McCormick take charge of McCormick, James Deering of Deering, Jones of Plano and Glessner of Champion divisions.  
221 Nov. 20, 1902; resolved that entire manufactured product of I. H. Co. wherever intended to be finally marketed, be purchased by America Co. upon terms expressed in contract of Sept. 2, 1902.  
114 Directors of I. H. Co. on Nov. 20, 1902, resolved that entire manufactured product of I. H. Co. be sold to America Co. upon terms of contract of Sept. 2, 1902, this plan to supersede all other plans, so far as such are in-  
IV consistent with this.

*Contract Between I. H. Co. and America Co. Sept. 2, 1902.*

- 97-99 Agreement made Sept. 2, 1902, between I. H. Co. and Milwaukee Harvester Co. Milwaukee Co. undertakes the sale of the I. H. Co.'s products, to maintain agencies for that end, and to advertise and exploit their sale. Milwaukee Co. to purchase such of the I. H. Co.'s products requisite to fill its orders and carry stock at its various ware-



## IV

houses. Said purchases to be the property of the Milwaukee H. Co.

The I. H. Co. to manufacture such machinery and twine and carry sufficient stock to meet the Milwaukee Co.'s requirements. (Then follows a schedule of prices omitted in the testimony.)

That the prices of articles not expressly mentioned in the schedule shall be agreed upon by the general manager of manufacturing of the I. H. Co. and the general manager of sales of the Milwaukee Co. Settlements to be made Feb. 1, either in cash or in accounts receivable. Milwaukee Co. to guarantee the payment of receivables used in payment; if accounts be not paid at maturity, they may, at option of said I. H. Co. be reassigned to Milwaukee Co., which shall pay in cash principal and interest accrued to the time of reassignment. Milwaukee Co. agrees to change its name to International Harvester Company of America. Contract to continue in force until Oct. 1st, 1903, and thereafter, from year to year, unless terminated by either party on any Oct. 1st, thirty days' previous notice to be given.

## I

*Contract of March 30, 1907.*

- 118 March 30, 1907; authorized execution of contract with I. H. Co. of America intended to supersede existing contract. The President submitted schedule prepared by Comptroller and approved by officers of respective companies, containing prices of various products sold by this Company to America Co. at which it was proposed to adjust accounts, which schedule was approved.

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- 100 Pet. Exh. 16.—Contract, January 1, 1907, between I. H. Co. of New Jersey, and I. H. Co. of America:

- (1) I. H. Co. shall manufacture such goods as have heretofore been manufactured at its plants, and such other kinds as the America company shall require for its business; provided, that the I. H. Co. shall not be required to manufacture new kinds at less than six months' notice from the America company.
- 101

(2) I. H. Co. shall carry such a stock of the various kinds of articles reasonably necessary to meet the demands of the America company's business; the latter giving at

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least three months' written notice of its probable demands.

(3) I. H. Co. guarantees the present standard of durability and efficiency of the articles manufactured, and that any additional lines shall be made of first class materials and properly perform their work.

(4) The America company undertakes the sale of above products wherever a profitable market can be found, and shall purchase from I. H. Co. such products as it may require to fill its orders, and to carry sufficient stock at its various warehouses and branch houses; the products to be purchased f. o. b. the city at which manufactured, and become the property of the America company.

102 (5) Exhibit "A" (omitted in the testimony) is schedule of prices; such schedule to remain in force until changed by mutual agreement.

(6) The America company may pay either in cash or accounts receivable from its customers. The America company to pay for all purchases as rapidly as collections are made; and on or before December 31st of each year, settlements in full shall be made for the goods purchased during the previous year.

(7) The officers, directors and stockholders of the America company are to be held harmless from any liability of the America company, either to the Harvester company or arising out of any statute.

104 Pet. Exh. 17.—Agreement between I. H. Co. and I. H. Co. of America, July 1, 1907, provides for the conduct of joint general offices, law, accounting, treasury, purchasing and traffic departments by the two companies and for the division of the salaries and general office expenses in certain fixed proportions.

## Results Following Formation of International Company.

### EXPANSION OF FOREIGN TRADE.

#### XIII

#### *Foreign Growth Compared with Domestic.*

158 Defts' Exh. 85 is comparative statement of total U. S. and foreign sales showing percentage of U. S. and foreign sales to total sales seasons 1902 to 1912.

|                   | United States   |                     | Foreign         |                     | Total           |
|-------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
|                   | Amount          | Percentage to total | Amount          | Percentage to total |                 |
| Vendor Companies: |                 |                     |                 |                     |                 |
| 1902              | \$47,952,612.23 | 82.2%               | \$10,416,192.40 | 17.8%               | \$58,368,804.63 |
| I. H. Company:    |                 |                     |                 |                     |                 |
| 1903              | 39,819,916.37   | 76.5                | 12,246,012.73   | 23.5                | 52,065,929.10   |
| 1904              | 34,367,655.25   | 69.1                | 15,349,364.48   | 30.9                | 49,717,019.73   |
| 1905              | 36,193,001.88   | 68.2                | 16,914,913.77   | 31.8                | 53,107,915.65   |
| 1906              | 42,017,706.73   | 67.5                | 20,199,313.71   | 32.5                | 62,217,020.44   |
| 1907              | 46,402,585.05   | 65.5                | 24,478,544.17   | 34.5                | 70,881,129.22   |
| 1908              | 41,823,997.98   | 62.8                | 24,804,793.38   | 37.2                | 66,628,791.36   |
| 1909              | 50,097,165.69   | 64.0                | 28,134,375.66   | 36.0                | 78,231,541.35   |
| 1910              | 56,502,982.96   | 62.3                | 34,196,055.60   | 37.7                | 90,699,038.56   |
| 1911              | 56,867,909.24   | 57.3                | 42,314,678.67   | 42.7                | 99,182,587.91   |
| 1912              | 64,007,748.88   | 55.7                | 50,896,963.24   | 44.3                | 114,904,712.12  |

#### *Volume of Foreign Sales Compared.*

172 Defts' Exh. 96—Statement of 1912 Total I. H. Co. Foreign Sales Compared with Total of Deering and McCormick Business of 1902, and Total International Harvester Business of 1903.

|      |                                                                        |                 |                 |
|------|------------------------------------------------------------------------|-----------------|-----------------|
| 1912 | Total International Foreign Sales only                                 |                 | \$50,896,963.24 |
| 1902 | Total Sales Foreign and Domestic: Deering Harvester Company            | \$19,671,654.21 |                 |
| 1902 | Total Sales Foreign and Domestic: McCormick Harvesting Machine Company | 22,767,132.19   | 42,438,786.40   |
| 1903 | Total Sales International Foreign and Domestic                         |                 | \$52,065,929.10 |

## XIII

*World-Wide Distribution of I. H. Co. Products.*

- 159 Defendants' Ex. 86 is a list of places in foreign countries carrying stocks of International machines and repairs for wholesale distribution (not including retail agents):
- |     |                                       |     |
|-----|---------------------------------------|-----|
|     | Africa. . . . .                       | 17  |
|     | America (South and Central) . . . . . | 14  |
| 160 | Australasia . . . . .                 | 12  |
|     | Austria. . . . .                      | 6   |
|     | Belgium. . . . .                      | 3   |
|     | Bulgaria. . . . .                     | 5   |
|     | Denmark. . . . .                      | 1   |
|     | Finland. . . . .                      | 3   |
|     | France. . . . .                       | 9   |
|     | Germany. . . . .                      | 9   |
|     | Great Britain. . . . .                | 5   |
| 161 | Greece. . . . .                       | 2   |
|     | Holland. . . . .                      | 4   |
|     | Hungary. . . . .                      | 4   |
|     | India. . . . .                        | 1   |
|     | Italy. . . . .                        | 7   |
|     | Mexico. . . . .                       | 8   |
|     | Norway. . . . .                       | 3   |
|     | Portugal. . . . .                     | 1   |
|     | Roumania. . . . .                     | 5   |
| 162 | Russia. . . . .                       | 42  |
|     | Servia. . . . .                       | 1   |
|     | Siam. . . . .                         | 1   |
|     | Spain. . . . .                        | 6   |
|     | Sweden. . . . .                       | 5   |
|     | Switzerland. . . . .                  | 3   |
|     | Turkey. . . . .                       | 6   |
|     | Total . . . . .                       | 173 |
- 163 Defendants' Exhibit 87 is a map of Russia, with red circles marking the distributing points in European and Asiatic Russia where we have stocks of machines or repairs for distribution to the trade, including stocks carried by jobbers.
- 164 Defendants' Exhibits 88, 89, 90, 91, 92 and 93 are similarly marked maps showing the distributing points
- 165 for the I. H. Co's goods, in the following countries, respectively:

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|                |              |
|----------------|--------------|
| Africa.        | New Zealand. |
| South America. | Mexico.      |
| Australia.     | Europe.      |

Mr. Haney: For the season of 1913 there were 30,888 local dealers handling machines of the I. H. Co. in countries other than the U. S. The foreign business of the I. H. Co. has been one of our primary markets; it has not been used as a field for dumping. Our organization is constantly developing, and the volume of our business has increased several hundred per cent.

*I. H. Co. Offices and Branch Houses Abroad.*

Defendants' Exhibit 94 is a list of 9 foreign I. H. Co. offices for supervision and control, and 53 foreign houses each having its own manager, as follows:

Foreign Offices for Supervision and Control:

Brussels, Belgium; Paris, France; Hamburg, Germany; Moscow, Russia; Buenos Aires, South America; Melbourne, Australia; Christchurch, New Zealand; Mexico City, Mexico; and Capetown, South Africa.

Foreign Houses Each Having its Own Manager and Complete Office, Traveling, Sales, and Expert Organization:

Russia: Armavir, Charkow, Ekaterinburg, Moscow, Odessa, Riga, Rostow and Samara.

Siberia: Novo-Nikolaievsk, Omsk and Vladivostok.

Denmark: Copenhagen.

Sweden: Norrköping.

Germany: Berlin, Breslau, Hamburg, Königsberg, Mannheim, München, and Neuss.

Norway: Kristiania.

167 Hungary: Budapest.

Austria: Vienna.

Roumania: Bucharest.

France: Paris, Lyon, Bordeaux and Nantes.

Switzerland: Zurich.

Australia: Melbourne, Brisbane, Launceston.

So. Australia: Adelaide.

West Australia: Perth.

New South Wales, Aus.: Sydney.

England: London.

New Zealand: Christchurch.

Man.: Brandon, Winnipeg.

Alta.: Calgary, Edmonton, Lethbridge.

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Sask.: Estevan, North Battleford, Regina, Saskatoon, Yorkton.

Ont.: Hamilton, London, Ottawa.

P. Q.: Montreal, Quebec.

N. B.: St. John.

*World's Production of Small Grain.*

168 *Mr. Haney.* The foreign field for marketing harvesting machinery holds promise of very great development in the future. The following table showing the production in bushels of small grains in foreign countries taken from the 1910 Year Book of the U. S. Dept. of Agriculture, (Defts' Exh. 95):

|                                    | Total<br>Small Grain<br>Bushels |
|------------------------------------|---------------------------------|
| Mexico. . . . .                    | 17,237,000                      |
| Argentine. . . . .                 | 159,222,000                     |
| Chili. . . . .                     | 19,743,000                      |
| Uruguay. . . . .                   | 9,600,000                       |
| Austria-Hungary. . . . .           | 778,553,000                     |
| Belgium. . . . .                   | 69,300,00                       |
| Bulgaria. . . . .                  | 89,805,000                      |
| Denmark. . . . .                   | 86,853,000                      |
| Finland . . . . .                  | 33,344,000                      |
| France. . . . .                    | 676,657,000                     |
| Germany. . . . .                   | 1,233,303,000                   |
| Greece. . . . .                    | 7,000,000                       |
| Italy. . . . .                     | 197,065,000                     |
| Montenegro. . . . .                | 200,000                         |
| Netherlands. . . . .               | 43,197,000                      |
| Norway. . . . .                    | 14,578,000                      |
| Portugal. . . . .                  | 6,000,000                       |
| Roumania. . . . .                  | 178,015,000                     |
| Russia-European. . . . .           | 2,979,490,000                   |
| “ Asiatic. . . . .                 | 191,956,000                     |
| Servia. . . . .                    | 15,040,000                      |
| Spain. . . . .                     | 270,370,000                     |
| Sweden. . . . .                    | 121,626,000                     |
| Switzerland. . . . .               | 3,417,000                       |
| Turkey-European. . . . .           | 19,462,000                      |
| “ Asiatic. . . . .                 | 35,000,000                      |
| Great Britain and Ireland. . . . . | 322,448,000                     |
| British India. . . . .             | 375,045,000                     |

|                          |                |               |               |
|--------------------------|----------------|---------------|---------------|
| Cyprus. . . . .          | 5,500,000      |               |               |
| Japan. . . . .           | 108,129,000    |               |               |
| Formosa. . . . .         | 250,000        |               |               |
| Persia. . . . .          | 16,000,000     |               |               |
| Africa. . . . .          | 153,696,000    |               |               |
| Australasia. . . . .     | 135,420,000    |               |               |
| Canada. . . . .          | 544,149,000    |               |               |
| <hr/>                    |                |               |               |
| Total Foreign. . . . .   | 8,916,670,000  |               |               |
| “ United States. . . . . | 2,030,192,000  |               |               |
| <hr/>                    |                |               |               |
| “ with U. S. . . . .     | 10,946,862,000 |               |               |
|                          | Foreign        | U. S.         | Total.        |
| Wheat                    | 2,955,509,000  | 695,443,000   | 3,650,952,000 |
| Oats                     | 3,019,747,000  | 1,126,765,000 | 4,146,512,000 |
| Rye                      | 1,642,859,000  | 33,039,000    | 1,675,898,000 |
| Barley                   | 1,223,018,000  | 162,227,000   | 1,385,245,000 |
| Flax                     | 75,537,000     | 12,718,000    | 88,255,000    |

*Percentage of World's Small Grain Harvested by Machines.*

169 *Mr. Haney.* I have made a study, over the world practically, of agricultural conditions and methods from the standpoint of the man dealing in agricultural machinery. After inquiring of our several foreign managers, we concluded that approximately 55.15% of the world's small grain (wheat, oats, rye, barley and flax) is harvested by machinery; and, excluding North America, 41.36%. We count the United States and Canada, Australia, New Zealand, and South America, at 100 per cent. machinery. The percentage of small grains harvested by machinery in Europe, Asia and Africa, we arrived at approximately 39 per cent.

In those countries the reaper,—or in some the mower with a simple attachment,—is sold first. After the farmer has used his reaper and has learned that machinery will replace hand labor, he will purchase a binder if his crop area justifies. In Russian Siberia used in great quantities is a very crude, old-fashioned type of machine where they rake off by hand,—even more crude than our self-rake reaper—known as a lobogrieka. The binder will very largely replace those crude machines, except where the fields are too small.

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*Opportunities for Further Expansion in Foreign Field.*

Outside of the development of business that must come through substituting the modern improved binder for hand labor and crude machinery, is the fact that there are millions of acres of tillable land not yet plowed. In Siberia, Argentine, Australia—in fact more or less in all countries,—there is still ground not cultivated, which must come into use for grain-growing. There is also the improvement in the quality of the farming. The wheat production of the U. S. in 1912 averaged about 15.9 bushels per acre. In Siberia in 1910 it was 10 bushels. In Germany, as illustrating the higher culture, for 1911 (the latest statistics available), the average production of wheat 30.6 bushels per acre. Improved farming methods will necessarily make a heavier crop and greater demand for the binder.

171 According to the Russian Year Book, the most authentic information available, on January 1, 1912, there were approximately 8,700,000 people in Siberia—1.8 inhabitants per square mile. The Census of 1910 gave the U. S. 91,972,266 people—30.9 inhabitants per square mile. Many millions of acres in Siberia not under cultivation are available for grain-growing. The land is similar to that in Nebraska and Kansas—prairie country, partly wooded.

*Economic Changes Abroad Affecting Trade, Carefully Watched.*

The improved economic conditions and increased wages are responsible for a considerable part of the increase in our business. As labor is more in demand for manufacturing, it will leave the fields, and as it becomes more expensive, it is more economical to use machinery on the farm.

Based upon the judgment of our foreign managers and our past growth, we estimate that in five years, that is, 1918, we should have a foreign business of approximately \$81,000,000, and in ten years, \$100,000,000.

172 I try to keep in touch with economic conditions and changes going on in foreign countries. Whenever a change makes labor more expensive than machinery we are prepared to supply our machinery. From time to time we send experienced men into different parts of the world where we are not now doing business, or where the



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business is small, to make investigations and ascertain if the development is such that there is a probability of sufficient business to justify us putting an organization into the field.

173

*Cross-Examination.*

After I returned to America in the spring of 1902 I had charge of the Deering Harvester Company's sales business, both foreign and domestic; formerly had charge of foreign sales. I was not one of the owners of the Deering Company. I began with it about 1884. I understand the statement showing foreign sales in 1902 to mean  
 174 goods for which we received pay in 1902,—the calendar year. If we should ship machines to a foreign customer in December, 1901, for the season of 1902 and he paid us in the season of 1902, or during that calendar year the figures would be in that year. As to whether shipments made in 1902 and not sold abroad nor paid for until season of 1903, would appear in this figure;—if the shipments were made in 1902 for account of 1902 season, they would appear. If made late in the season for account of 1903, they would not appear. Because we are so far from the foreign markets, we sometimes begin shipping machines the last part of the preceding calendar year to get them at destination in time to distribute for harvest season the following year.

I think all the sales included in 1902 were made prior to the organization of the I. H. Co. I do not know whether the season of 1902 was entirely Deering Harvester Company business or whether part of it went to the I. H. Co. The statement as I understand it, represents the sale of Deering machines sent from the Deering works and for which pay was received during the calendar year of 1902.  
 175 The figures in Defendants' Exhibit 76 were prepared at my request. The words "Binders, shipments 1902, 16,228," mean the machines that were shipped out for sale during the season of 1902, by all of the companies now owned by the I. H. Co., according to records made up in our office for statistical purposes.

*Deering and McCormick Export Trade in 1902.*

I could not say how much the exports of the Deering and McCormick companies had grown in the five years preceding 1902. I can say from general knowledge that

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- they had grown, but couldn't give any idea as to percentage, having never seen the figures. During those years I was selling Deering machines in Europe. Whatever the Deerings were doing abroad in 1902 had been developed by me from nothing in the course of ten years. I recall no figures or memoranda which would enable me to tell the percentage of growth in those ten years; could not say that I have not; have no recollection.
- The Deerings were selling machines in 1901 and 1902, in Australia, New Zealand, Argentine, Uruguay, Great Britain, France, Spain, Belgium, Italy, Switzerland, Holland, Germany, Austria-Hungary, Roumania, Turkey, Norway, Sweden, Denmark, Finland, Russia, Siberia; that is my recollection; that may not be complete. The Deering Company was doing a certain amount of business in practically the entire world before the organization of the I. H. Co.
- I now have the figures of the Deering Company's foreign business including Canada for 1898 to 1902; also the figures of the foreign shipments not including Canada from 1900 to 1902, inclusive:

## 179 Deering Harvester Company—Foreign Sales.

| Year | Foreign<br>Except Canada | Canada       | Total        | Percent.<br>Progressive<br>Increase<br>over 1898 |
|------|--------------------------|--------------|--------------|--------------------------------------------------|
| 1898 | 916,331.15               | 498,560.40   | 1,414,891.55 |                                                  |
| 1899 | 1,554,319.13             | 601,390.34   | 2,155,709.47 | 52.4%                                            |
| 1900 | 1,849,923.56             | 745,031.21   | 2,594,954.77 | 83.4%                                            |
| 1901 | 1,551,000.33             | 1,199,633.96 | 2,750,634.29 | 94.4%                                            |
| 1902 | 2,097,621.75             | 1,390,627.86 | 3,488,249.61 | 146.5%                                           |

Export Shipments of Deering Binders, Reapers, Mowers, and Hay Rakes for the Seasons of 1900-01-02 (Not Including Canada).

|      | Binders | Push Bdrs.<br>and Hdrs. | Reapers | Mowers | Rakes |
|------|---------|-------------------------|---------|--------|-------|
| 1900 | 4091    | 10                      | 3655    | 19975  | 3880  |
| 1901 | 4153    | 115                     | 4375    | 18097  | 3785  |
| 1902 | 5389    | 505                     | 5665    | 17540  | 6529  |

- 180 *Mr. Haney.* The various manufacturers exhibiting harvesting machinery at the Paris Exposition were Deering, McCormick, Adriance-Platt, Walter A. Wood, Johnston, Buckeye, Osborne and Plano. The Champion was not there. That list is complete as I recall it. Naturally the Deering and McCormick Companies wanted to get all they could in prizes and medals. I could not say positively.

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from recollection whether that competition resulted in the  
 181 McCormick and Deering each being finally awarded the same number of prizes. Deering obtained a number of prizes and the McCormick likewise.

*Re-direct Examination.*

The I. H. Co., after its organization, began to change from the system of marketing through jobbers in Europe, to marketing through its own separate sales organization, the branch house system, the American method of selling directly to local dealers.

*Starting Retail Stores in Siberia.*

In Siberia there were very few local merchants. There are few towns; the people live in villages, with no stores other than little shops to supply groceries or kerosene, or something of that sort. I started our local retail "skads," or local retail warehouse. To conduct these retail stores we were, of necessity, forced to buy plows and various other machines not manufactured by the I. H. Co., in or-  
 182 der to have a complete stock of implements, such as the farmer in that locality demanded. As we were able to find someone to take this retail business off our hands and establish himself there as a local merchant and buy goods from us, we turned the business over to him.

*Trained Harvester Men Taken from America.*

In changing the business from jobbing to the branch house basis, it was impossible to find men in Europe with knowledge and experience in harvesting machinery business, qualifying them as managers. It was necessary to get men trained from America—men of experience, knowledge and ability and put them in charge. We got these men from the International organization—men from the McCormick, the Champion, Deering, Plano and Osborne Companies. Knowledge of the business is more important than of the language of the country. We try, naturally, to find men who speak the language; but knowledge and experience are the first qualifications, even if he spoke only English.

In 1912, the Omsk branch of the I. H. Co., in Central Siberia, did the largest business:—\$3,184,325.63. Vladivostok at the extreme eastern end of the Trans-Siberian

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183 Railway on the Pacific side, did a business of \$569,278.09 last year.

The area of the U. S. is 3,026,789 square miles; of Siberia, 4,781,730 square miles.

The increase in the Deering foreign business for the years preceding 1903 challenged attention to the foreign market as a great future opportunity.

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*Rapid Increase of Export Business.*

100 Defts.' Exh. 199 is a chart comparing total U. S. Exports (Official Statistics) and shows that from 1902 to  
101 1912 the total U. S. exports have increased 60 per cent., while I. H. Co. exports have increased 240 per cent.

*Cash Remitted to U. S. from Foreign Trade.*

102 Defendants' Exhibit 200 shows amount of cash received by I. H. Co. or its affiliated companies from foreign trade and remitted to the United States from 1903 to 1912:

| Year. | Amount.             |
|-------|---------------------|
| 1903  | \$ 5,500,000        |
| 1904  | 9,154,000           |
| 1905  | 11,640,000          |
| 1906  | 14,123,000          |
| 1907  | 16,520,000          |
| 1908  | 17,138,000          |
| 1909  | 20,644,000          |
| 1910  | 20,016,000          |
| 1911  | 18,778,000          |
| 1912  | 25,894,000          |
| Total | <hr/> \$159,407,000 |

*Expenditures for Labor and Materials Entering into Exports.*

Defts' Exh. 201 shows amount of I. H. Co.'s exports,  
103 1903 to 1912, and the amount expended by the I. H. Co. or its affiliated corporations for raw material and labor entering into those exports:

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| Year  | Exports       | I. H. Co. Material and Labor. |              |
|-------|---------------|-------------------------------|--------------|
|       |               | Material                      | Labor        |
| 1903  | \$ 9,975,000  | \$ 3,878,000                  | \$ 1,891,000 |
| 1904  | 9,897,000     | 4,450,000                     | 1,880,000    |
| 1905  | 12,651,000    | 5,252,000                     | 2,404,000    |
| 1906  | 14,533,000    | 5,717,000                     | 2,761,000    |
| 1907  | 17,788,000    | 6,738,000                     | 3,398,000    |
| 1908  | 17,194,000    | 6,486,000                     | 3,284,000    |
| 1909  | 18,503,000    | 6,885,000                     | 3,534,000    |
| 1910  | 21,107,000    | 8,061,000                     | 4,086,000    |
| 1911  | 27,330,000    | 10,108,000                    | 5,291,000    |
| 1912  | 30,755,000    | 11,610,000                    | 5,954,000    |
| Total | \$179,733,000 | \$69,185,000                  | \$34,483,000 |

Mr. Reay: The note to the exhibit reading: "Of the above \$69,185,000 expended for material, about one-half represents money spent for labor in the U. S. in the production of such material" was arrived at from the best statistics available.

*European Borrowings of I. H. Co.*

119 Defts' Exh. 210 shows annual maximum borrowings of the I. H. Co. for the years 1903 to 1912, inclusive, with amount borrowed in Europe:

| Year     | Total<br>Borrowed<br>Money | Amount<br>Borrowed<br>in<br>Europe | Percentage of<br>European<br>Borrowings<br>to Total<br>Borrowed<br>Money |
|----------|----------------------------|------------------------------------|--------------------------------------------------------------------------|
|          |                            |                                    | ...                                                                      |
| 120 1903 | \$14,974,000.00            | \$ .....                           | .. %                                                                     |
| 1904     | 15,630,000.00              | .....                              | ..                                                                       |
| 1905     | 21,470,000.00              | 3,772,000.00                       | 17.6                                                                     |
| 1906     | 23,774,000.00              | 5,740,000.00                       | 24.1                                                                     |
| 1907     | 34,915,000.00              | 7,558,000.00                       | 21.6                                                                     |
| 1908     | 25,988,000.00              | 9,237,000.00                       | 35.5                                                                     |
| 1909     | 29,922,000.00              | 10,252,000.00                      | 34.3                                                                     |
| 1910     | 37,048,000.00              | 12,279,000.00                      | 33.1                                                                     |
| 1911     | 54,930,000.00              | 17,950,000.00                      | 32.7                                                                     |
| 1912     | 65,920,000.00              | 19,264,000.00                      | 29.2                                                                     |
| Total    | \$324,571,000.00           | \$86,052,000.00                    |                                                                          |

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## VOLUME OF BUSINESS, ASSETS AND BORROWINGS.

96 W. M. REAY:

Am comptroller of the I. H. Co. and have charge of its accounting and statistical records.

*Volume of Sales—Foreign, Domestic and New Lines.*

The statement (Deft's. Exh. 198) containing "a summary of gross sales proceeds of Champion, Deering, McCormick, Milwaukee, Osborne and Plano companies for 1902 and the International Harvester Company for 1903 to 1912, separating foreign and domestic trade, and old lines and new lines, and fibre and steel sale" was prepared under my direction and supervision and is correct. "Old lines" includes grain machines, mowers, rakes, corn binders, and their repairs and attachments, and twine. "New lines" includes the balance of the goods manufactured by the I. H. Co. and its affiliated companies, together with any goods purchased and re-sold by any of those companies. "Steel Products, Fibre Sales, etc.," covers the sales of steel and steel products of Wisconsin Steel Co. to customers other than the I. H. Co. and fibre sales made by Macleod & Co. in New York and London, and some

97 minor miscellaneous sales.

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*Binder and Mower Sales in U. S. 1898 to 1902.*

126 Defts' Exh. 214 shows the numbers of binders and mowers sold in the U. S. from 1898 to 1902 by Champion, Deering, McCormick, Milwaukee, Osborne and Plano companies, and by the I. H. Co. and its affiliated companies from 1903 to 1912 inclusive:

| Year | Binders | Mowers  |
|------|---------|---------|
| 1898 | 161,822 | 186,826 |
| 1899 | 161,681 | 221,395 |
| 1900 | 127,328 | 199,333 |
| 1901 | 146,377 | 239,193 |
| 1902 | 164,616 | 243,663 |
| 1903 | 104,273 | 208,318 |
| 1904 | 86,382  | 187,985 |
| 1905 | 89,699  | 166,577 |
| 1906 | 92,574  | 161,917 |
| 1907 | 89,627  | 181,721 |
| 1908 | 64,368  | 155,584 |
| 1909 | 86,006  | 162,549 |
| 1910 | 92,937  | 165,386 |
| 1911 | 97,335  | 141,330 |
| 1912 | 111,447 | 164,287 |

*Annual Reports—Distributed Publicly Since 1907.*

W. M. REAY:

135 The stocks of the I. H. Co. were first listed on the New York Stock Exchange, June 3, 1908. I never heard of any agricultural concern having previously listed its stock. Our annual reports were printed and distributed publicly for 1907, and have since been printed in voluminous detail and distributed to the public and to the stockholders.

STATEMENT OF SALES, SEPARATING FOREIGN AND DOMESTIC, OLD  
AND NEW LINES, AND FIBRE AND STEEL. (DEPT'S' EXH. 198.)

| United States<br>Sales | OLD LINES       |                                   |                             | NEW LINES       |                                    |                              | TOTAL           |                                    |                              |
|------------------------|-----------------|-----------------------------------|-----------------------------|-----------------|------------------------------------|------------------------------|-----------------|------------------------------------|------------------------------|
|                        | Amount          | Per Cent<br>Increase<br>over 1902 | Per Cent<br>Year's<br>Sales | Amount          | Per Cent.<br>Increase<br>over 1902 | Per Cent.<br>Year's<br>Sales | Amount          | Per cent.<br>Increase<br>over 1902 | Per Cent.<br>Year's<br>Sales |
| 1902                   | \$46,142,158.64 |                                   | 78.52                       | \$ 1,510,453.59 |                                    | 3.08                         | \$47,952,612.23 |                                    | 81.60                        |
| 1903                   | 57,763,858.45   | 18.16*                            | 71.23                       | 2,056,057.92    | 13.57                              | 3.88                         | 39,819,916.37   | 16.96*                             | 75.11                        |
| 1904                   | 32,337,917.32   | 29.92*                            | 63.02                       | 2,029,737.93    | 12.11                              | 3.95                         | 34,367,655.25   | 28.33*                             | 66.97                        |
| 1905                   | 30,999,632.59   | 32.82*                            | 52.03                       | 5,193,369.29    | 186.85                             | 8.72                         | 36,193,001.88   | 24.52*                             | 60.75                        |
| 1906                   | 31,339,714.18   | 32.08*                            | 46.37                       | 10,677,992.55   | 489.79                             | 15.80                        | 42,017,706.73   | 12.38*                             | 62.17                        |
| 1907                   | 32,726,330.36   | 29.07*                            | 41.84                       | 13,676,254.69   | 651.79                             | 17.49                        | 46,402,585.05   | 3.23*                              | 59.33                        |
| 1908                   | 28,213,111.53   | 38.87*                            | 38.90                       | 13,610,886.45   | 651.79                             | 18.76                        | 41,823,997.98   | 12.78*                             | 57.66                        |
| 1909                   | 31,546,270.82   | 31.63*                            | 36.42                       | 18,550,894.87   | 924.65                             | 21.42                        | 50,097,165.69   | 4.47                               | 57.84                        |
| 1910                   | 34,510,273.20   | 25.21*                            | 34.11                       | 21,992,709.76   | 1,114.76                           | 21.74                        | 56,502,982.96   | 17.53                              | 55.85                        |
| 1911                   | 34,401,981.89   | 25.44*                            | 31.84                       | 22,465,927.35   | 1,140.90                           | 20.80                        | 56,867,909.24   | 18.55                              | 52.64                        |
| 1912                   | 39,062,455.36   | 15.34*                            | 31.14                       | 24,945,293.52   | 1,277.85                           | 19.88                        | 64,007,748.88   | 33.48                              | 51.02                        |
| Foreign Sales          |                 |                                   | 16.91                       | \$ 478,445.90   |                                    | .51                          | \$10,416,192.40 |                                    | 17.72                        |
| 1902                   | \$ 9,937,746.50 |                                   | 22.41                       | 306,215.14      | 23.46*                             | .69                          | 12,246,012.73   | 17.57                              | 23.10                        |
| 1903                   | 11,879,797.59   | 19.54                             | 27.86                       | 1,055,074.69    | 120.52                             | 2.06                         | 15,349,364.48   | 47.36                              | 29.92                        |
| 1904                   | 14,294,289.79   | 43.84                             | 24.47                       | 2,336,901.89    | 388.44                             | 3.92                         | 16,914,913.77   | 62.39                              | 28.39                        |
| 1905                   | 14,578,011.88   | 46.69                             | 25.29                       | 3,103,773.20    | 548.72                             | 4.59                         | 20,199,313.71   | 93.92                              | 29.88                        |
| 1906                   | 17,095,540.51   | 72.03                             | 25.35                       | 4,187,525.59    | 775.23                             | 5.35                         | 24,478,544.17   | 135.00                             | 31.30                        |
| 1907                   | 20,291,018.58   | 104.18                            | 27.67                       | 4,730,900.58    | 888.81                             | 6.52                         | 24,804,793.38   | 138.14                             | 34.19                        |
| 1908                   | 20,073,892.80   | 102.00                            | 24.59                       | 6,832,879.90    | 1,328.14                           | 7.89                         | 28,134,375.66   | 170.10                             | 32.48                        |
| 1909                   | 21,301,495.76   | 114.35                            | 23.09                       | 10,835,520.53   | 2,164.73                           | 10.71                        | 34,190,035.00   | 228.30                             | 33.80                        |
| 1910                   | 23,310,535.07   | 135.07                            | 24.87                       | 15,449,086.59   | 3,129.14                           | 14.30                        | 42,314,678.67   | 306.24                             | 39.17                        |
| 1911                   | 26,864,992.08   | 170.33                            | 26.90                       | 17,156,299.59   | 3,485.84                           | 13.68                        | 50,890,063.24   | 388.63                             | 40.58                        |
| 1912                   | 33,740,613.65   | 239.52                            |                             |                 |                                    |                              |                 |                                    |                              |



## Total Sales

| Total Agricultural Implements and Twine |                              | Steel Products, Fibre Sales, etc. |                              | Grand Total                  |        |
|-----------------------------------------|------------------------------|-----------------------------------|------------------------------|------------------------------|--------|
|                                         | Per Cent. Increase over 1902 | Per Cent. Year's Sales            | Per Cent. Increase over 1902 | Per Cent. Increase over 1902 |        |
| 1902                                    | \$ 58,368,804.63             | 99.32                             | Amount \$ 400,000.00         | Amount \$ 58,768,804.63      |        |
| 1903                                    | 52,065,929.10                | 98.21                             | 946,893.97                   | 53,012,823.07                | 9.80*  |
| 1904                                    | 49,717,019.73                | 96.89                             | 1,597,732.54                 | 51,314,752.27                | 12.68* |
| 1905                                    | 53,107,915.65                | 89.14                             | 6,468,477.97                 | 59,576,393.62                | 1.37   |
| 1906                                    | 62,217,020.44                | 92.05                             | 5,372,085.83                 | 67,589,056.27                | 15.00  |
| 1907                                    | 70,881,129.22                | 90.63                             | 7,325,761.14                 | 78,206,890.36                | 33.07  |
| 1908                                    | 66,628,791.36                | 91.85                             | 5,912,979.80                 | 72,541,771.16                | 23.44  |
| 1909                                    | 78,231,541.35                | 90.32                             | 8,383,008.20                 | 86,614,549.55                | 47.38  |
| 1910                                    | 90,699,038.56                | 89.65                             | 10,467,320.32                | 101,166,358.88               | 72.14  |
| 1911                                    | 99,182,587.91                | 91.81                             | 8,851,007.70                 | 108,033,595.61               | 83.83  |
| 1912                                    | 114,904,712.12               | 91.60                             | 10,533,392.18                | 125,438,104.30               | 113.44 |

NOTE:—Star (\*) indicates decrease.

Old Lines include Grain Machines, Mowers, Rakes,

Corn Binders with Attachments, and Repairs and Twine.

I

## 222 JAMES KING:

I am in the I. H. Co. Accounting Department under Mr.  
 223 Reay. I have with me records of the I. H. Co. from 1907  
 to 1911, inclusive.

*Published Reports of I. H. Co.*

The first published report of the I. H. Co. was for 1907,  
 which includes a few statistics for 1905 and 1906. We  
 224 have no reports of earlier years in the form in which  
 these reports are made up.

225 The report for 1911 is a combined report for all of the  
 companies and shows the combined sales of the I. H. Co.  
 and its affiliated companies, 1903 to 1911. (Figures ap-  
 pear in Defts' Exh. 198.)

In this report not only sales, but all other items are  
 combined.

226 At one time the harvester business was divided, broadly  
 speaking, into two seasons, a manufacturing and a selling  
 season. It has been changed so that it is practically an  
 all-the-year-round business, though for convenience we  
 call one season a manufacturing and another a selling sea-  
 son. The manufacturing season closes at the convenient  
 date for taking an inventory.

Our loans reach the maximum in August. They become  
 reduced as the farmers' notes are collected in the fall.

227 The gross sales include all our foreign sales made for  
 the most part by foreign companies. The reports show  
 the combined gross sales in harvesting machinery, til-  
 lage implements and twine from the organization of the  
 I. H. Co. till now in the U. S. and foreign countries.  
 (These figures shown in Defts' Exh. 198.)

*Sales of Wagons, Spreaders, Engines, Separators, Auto-  
Wagons, Tractors.*

228 The combined gross sales in wagons, manure spreaders,  
 gasoline engines, cream separators, auto wagons and  
 tractors since the I. H. Co. commenced doing business are  
 as follows:

I

|             | United States. Foreign Countries. |               |
|-------------|-----------------------------------|---------------|
| Season 1903 | \$ .....                          | \$ 38,410.17  |
| Season 1904 | 108,618.41                        | 155,251.46    |
| Season 1905 | 2,885,282.58                      | 1,177,447.55  |
| Season 1906 | 7,500,859.03                      | 2,060,567.35  |
| Season 1907 | 10,985,492.17                     | 2,895,987.16  |
| Season 1908 | 10,903,661.29                     | 3,384,927.22  |
| Season 1909 | 15,480,606.95                     | 5,239,578.11  |
| Season 1910 | 18,772,535.35                     | 8,993,141.22  |
| Season 1911 | 19,331,514.41                     | 13,349,405.95 |

*Total Assets 1903 to 1911.*

The combined assets for each year have been as follows :

|     |                   |                  |
|-----|-------------------|------------------|
|     | December 31, 1903 | \$130,710,469.99 |
|     | December 31, 1904 | 132,370,000.87   |
|     | December 31, 1905 | 139,168,296.16   |
|     | December 31, 1906 | 147,904,064.14   |
| 230 | December 31, 1907 | 156,282,454.16   |
|     | December 31, 1908 | 157,608,632.51   |
|     | December 31, 1909 | 172,795,542.61   |
|     | December 31, 1910 | 195,306,083.53   |
|     | December 31, 1911 | 223,724,555.54   |

*Property Account.*

|                   |                 |
|-------------------|-----------------|
| December 31, 1903 | \$54,179,415.85 |
| December 31, 1904 | 56,420,517.97   |
| December 31, 1905 | 59,042,190.76   |
| December 31, 1906 | 60,784,064.65   |
| December 31, 1907 | 62,844,136.48   |
| December 31, 1908 | 63,680,776.06   |
| December 31, 1909 | 66,532,608.86   |
| December 31, 1910 | 71,887,402.38   |
| December 31, 1911 | 76,585,000.70   |

Our fiscal year is the calendar year. We divide our Current Assets into three principal classes: Inventories, Receivables and Cash.

*Amount of Inventories.*

The amount of inventories, which include raw materials and supplies, and work in process of manufacture and finished products both at the works and on the territory, were as follows :

I

|                   |                 |
|-------------------|-----------------|
| December 31, 1903 | \$42,891,391.20 |
| December 31, 1904 | 43,032,131.97   |
| December 31, 1905 | 47,257,637.93   |
| December 31, 1906 | 49,317,885.88   |
| December 31, 1907 | 50,287,625.77   |
| December 31, 1908 | 47,687,056.26   |
| December 31, 1909 | 53,399,926.84   |
| December 31, 1910 | 61,646,434.80   |
| December 31, 1911 | 69,592,780.86   |

### *Farmers' and Agents' Notes.*

The receivables are divided into two classes—Farmers' and Agents' notes and Accounts Receivable. Farmers' and Agents' notes represent all the notes originating from the sale of harvesting machinery. Their amount has been as follows:

|                   |                 |
|-------------------|-----------------|
| December 31, 1903 | \$12,712,958.62 |
| December 31, 1904 | 18,446,262.84   |
| December 31, 1905 | 18,580,977.26   |
| December 31, 1906 | 21,735,360.10   |
| December 31, 1907 | 26,583,001.10   |
| December 31, 1908 | 25,471,132.81   |
| December 31, 1909 | 29,752,945.15   |
| December 31, 1910 | 39,859,973.30   |
| December 31, 1911 | 52,910,943.11   |

### *Accounts Receivable.*

232 Accounts Receivable represent for the most part accounts resulting from the sale of harvesting machinery, tillage implements or finished products, but also include Miscellaneous Receivables of any character. The amount of the Accounts Receivable has been as follows:

|                   |                 |
|-------------------|-----------------|
| December 31, 1903 | \$12,689,143.72 |
| December 31, 1904 | 9,952,124.86    |
| December 31, 1905 | 12,470,743.26   |
| December 31, 1906 | 12,834,337.56   |
| December 31, 1907 | 14,511,387.27   |
| December 31, 1908 | 13,064,927.11   |
| December 31, 1909 | 19,103,716.45   |
| December 31, 1910 | 18,720,597.99   |
| December 31, 1911 | 19,977,644.65   |

When notes are renewed, the interest is included and goes into the classification of Farmers' and Agents' notes. Where not renewed, the accrued interest is estimated and included in the Accounts Receivable.

## I

*Current Bills Payable.*

233 Under Liabilities, Bills Payable, represented all the obligations of these various companies in notes. In our books we distinguished between loans made for any length of time and money borrowed at the bank in the spring to be paid off in the fall:

234 Statement of current bills payable:

| Dec. 31 | Long Term Loans | Bank Loans<br>Maturing in<br>Following Year | Fibre Drafts<br>Discounted in<br>Manila, P. I. | Total         |
|---------|-----------------|---------------------------------------------|------------------------------------------------|---------------|
| 1903    | \$ 300,346.13   | \$ —                                        | \$ —                                           | \$ 300,346.13 |
| 1904    | —               | —                                           | —                                              | —             |
| 1905    | —               | —                                           | 778,560.00                                     | 778,560.00    |
| 1906    | 7,000,000.00    | —                                           | 778,560.00                                     | 7,778,560.00  |
| 1907    | 7,000,000.00    | 2,687,215.36                                | 778,560.00                                     | 10,465,775.36 |
| 1908    | 6,000,000.00    | 680,884.95                                  | 1,005,780.00                                   | 8,286,664.95  |
| 1909    | 4,000,000.00    | —                                           | 1,824,750.00                                   | 5,824,750.00  |
| 1910    | 4,000,000.00    | 7,418,035.46                                | 2,360,010.00                                   | 13,778,045.46 |
| 1911    | 12,000,000.00   | 17,400,509.18                               | 1,517,832.50                                   | 30,918,341.68 |

*Purchase Money Obligations.*

In addition to the Bills Payable, there were Purchase Money Obligations (notes issued by the Company for the purchase of new properties) as follows:

|                   |                |
|-------------------|----------------|
| December 31, 1903 | \$5,084,678.89 |
| December 31, 1904 | 5,067,648.88   |
| December 31, 1905 | 5,151,337.68   |
| December 31, 1906 | 4,244,740.55   |
| December 31, 1907 | 3,450,194.63   |
| December 31, 1908 | .....          |
| December 31, 1909 | 2,250,000.00   |
| December 31, 1910 | 1,125,000.00   |
| December 31, 1911 | 879,500.00     |

*Large Working Capital Required.*

There was a large increase in Bills Payable for 1910 and 1911. In 1910 collections were not good. In such cases we have to rely on outside capital to finance the business. Then there was a great increase in current assets and inventories, receivables and expenditures on properties. This in general explains the increase in the current Bills payable.

Extract from 1911 I. H. Co.'s Report, read into the record by Mr. Grosvenor:

235 "The increase in farmers' and agents' notes is occasioned partly by the larger volume of business transacted, and partly by the decline in cash collec-

tions affecting most lines of industry during the year 1911. The poor harvest in the important agricultural states, and the unfavorable threshing conditions in Western Canada retarded fall collections.

"The additional investment in inventories and receivables naturally resulted in a larger volume of bills payable carried by the Company at the close of the fiscal year. Anticipating this condition, a loan of \$10,000,000 maturing in 1921 was negotiated during the year 1911, and early in the fiscal year 1912, \$20,000,000 three year 5% notes were issued.

"The Working Capital requirements of the Company are very large; first, because of the heavy investments in Works inventories required in the many months of manufacturing in advance of the short selling season; second, because of the large stocks of harvesting machinery, repairs and twine carried at all convenient locations throughout the world to be immediately available to meet the varying demands of a trade which cannot be known until the harvest is at hand; third, because of the liberal credits extended to the farmers in the sale of these machines. For these reasons, the Company is required to have in working capital at all times an amount nearly equal to its entire annual sales; and in the harvester lines, the investment in inventories and receivables largely exceeds the amount of the annual sales."

### *Affiliated Companies.*

I Mr. King: The different companies whose earnings go to make up this combined report are as follows:

236 International Harvester Company,  
International Harvester Company of Canada, Limited,  
International Flax Twine Company,  
Wisconsin Steel Company,  
Wisconsin Lumber Company,  
Illinois Iron Mining Company,  
Macleod & Company (Philippine Islands),  
Eastern Building Company, Limited, (Canada),  
Columbian Shipping Company,  
Chicago, West Pullman & Southern Railroad Company,  
Deering Southwestern Railway,  
Illinois Northern Railway,  
The Owasco River Railway,

## I

International Harvester Company of America,  
 International Harvester Company G. m. b. H. (Austria).  
 Aktieselskabet International Harvester Company (Denmark).

Compagnie Internationale des Machines Agricoles S. A. (France).

Compagnie Internationale des Machines Agricoles de France S. A.

Deutsche International Harvester Company m. b. H. (Germany).

International Harvester Company m. b. H. (Germany).

International Harvester Company of Great Britain, Limited.

Aktieselskabet International Harvester Company (Norway).

International Harvester Company in Russia.

Aktiebolaget International Harvester Company (Sweden).

International Harvester Company A/G (Switzerland).

## IV

349 Pet. Exh. 267 gives names of all companies in which I. H. Co., or any subsidiary company, held any stock interest.

# PROFITS AND DIVIDENDS.

## XIV

*Average Earnings 7.83% ; Dividends 5.9% .*

W. M. REAY:

123 Defts' Exh. 212 is a statement of the net earnings and dividends of the I. H. Co. for 1903 to 1912, inclusive. The average percentage of net earnings to capital stock and surplus of the I. H. Co. for the years 1903 to 1912, inclusive, is 7.83%. The average rate of dividends paid in those years has been 5.9%.

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| Year    | Net Earnings | Percentage of Net Earnings to Capital Stock and Surplus | Dividends    | Rate of Dividends on Capital Stock |
|---------|--------------|---------------------------------------------------------|--------------|------------------------------------|
| 1903    | \$ 5,641,181 | 4.70%                                                   | \$ 3,600,000 | 3.00%                              |
| 1904    | 5,658,535    | 4.64                                                    | 4,800,000    | 4.00                               |
| 1905    | 7,479,187    | 6.08                                                    | 4,800,000    | 4.00                               |
| 1906    | 7,346,947    | 5.85                                                    | 4,800,000    | 4.00                               |
| 1907    | 8,080,458    | 6.31                                                    | 4,200,000    | 3.50                               |
| 1908    | 8,885,682    | 6.73                                                    | 4,200,000    | 3.50                               |
| 1909    | 14,892,740   | 10.89                                                   | 4,200,000    | 3.50                               |
|         |              |                                                         | 20,000,000*  | 16.66                              |
| 1910    | 16,084,819   | 10.91                                                   | 7,400,000    | 5.29                               |
| 1911    | 15,521,397   | 9.95                                                    | 8,200,000    | 5.86                               |
| 1912    | 16,395,597   | 10.03                                                   | 8,200,000    | 5.86                               |
| Average | 10,598,654   | 7.83                                                    | 7,440,000    | 5.90                               |

\*Stock dividend of 33-1/3% on \$60,000,000 common stock declared January 29, 1910.

*Earnings Compared with Capital Investment.*

- 120 W. M. REAY. Defts' Exh. 211 shows percentage of earnings by years to total investments, that is, amount of capital and surplus and average amount of borrowed money employed during each year; also percentage of such earnings to the net assets, that is, the amount of capital and surplus. The years to the total investments, amount of capital and surplus and average amount of borrowed money employed during each year; also percentage of such earnings to the net assets, that is, the amount of capital and surplus. The first column states the total investment capital and surplus and borrowed capital of the I. H. Co. and subsidiary companies; the second shows that capital and surplus at the beginning of each year, not including borrowed capital. By borrowed capital, I mean the average amount
- 121 borrowed during the entire year. The third shows the gross earnings of the I. H. Co. for 1903 to 1912 before deducting interest paid on borrowed capital. The fourth shows the net earnings. The fifth shows the percentage of the gross earnings to total investment. The sixth shows the percentage of net earnings to the capital and surplus.



Defts' Exh. 211—"Table showing percentage of earnings by years to (1) total investment including borrowed capital and (2) net assets at beginning of each year, 1903 to 1912."

| Year        | Total Investment<br>(Capital, Surplus<br>and<br>Borrowed Capital | Net Assets<br>(Capital<br>and Surplus)<br>at Beginning<br>of Each Year | Gross Earnings<br>Before Deducting<br>Interest Paid on<br>Borrowed Capital | Net<br>Earnings | Per Cent. of                         |                                       |
|-------------|------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------|--------------------------------------|---------------------------------------|
|             |                                                                  |                                                                        |                                                                            |                 | Per Cent. of<br>Gross Earnings<br>To | Net Assets (Capi-<br>tal and Surplus) |
|             |                                                                  |                                                                        |                                                                            |                 | Total Investment                     | Net Assets (Capi-<br>tal and Surplus) |
| 1903        | \$126,000,000.00                                                 | \$120,000,000.00                                                       | \$ 6,122,133.00                                                            | \$ 5,641,180.61 | 4.86                                 | 4.70                                  |
| 1904        | 127,000,000.00                                                   | 122,041,180.61                                                         | 6,012,840.00                                                               | 5,658,534.68    | 4.73                                 | 4.64                                  |
| 1905        | 135,000,000.00                                                   | 122,899,715.29                                                         | 8,019,843.00                                                               | 7,479,187.36    | 5.94                                 | 6.08                                  |
| 1906        | 142,000,000.00                                                   | 125,578,902.65                                                         | 8,107,987.00                                                               | 7,346,947.32    | 5.71                                 | 5.85                                  |
| 1907        | 152,000,000.00                                                   | 128,125,849.97                                                         | 9,220,496.00                                                               | 8,080,457.51    | 6.07                                 | 6.31                                  |
| 1908        | 149,000,000.00                                                   | 132,006,307.48                                                         | 9,761,354.00                                                               | 8,885,682.13    | 6.55                                 | 6.73                                  |
| 1909        | 150,000,000.00                                                   | 136,491,989.61                                                         | 15,450,796.00                                                              | 14,892,740.21   | 10.30                                | 10.89                                 |
| 1910        | 168,000,000.00                                                   | 147,384,729.82                                                         | 17,088,800.00                                                              | 16,084,819.19   | 10.17                                | 10.91                                 |
| 1911        | 190,000,000.00                                                   | 156,069,549.01                                                         | 17,068,493.00                                                              | 15,521,397.89   | 8.98                                 | 9.95                                  |
| 1912        | 212,000,000.00                                                   | 163,390,946.90                                                         | 18,767,904.00                                                              | 16,395,597.16   | 8.85                                 | 10.03                                 |
| Average for |                                                                  |                                                                        |                                                                            |                 |                                      |                                       |
| 10 Years    | 155,100,000.00                                                   | 135,418,917.13                                                         | 11,562,064.60                                                              | 10,598,654.40   | 7.45                                 | 7.83                                  |

NOTE: The figures on Total Investment Include the average amount of borrowed money employed during the year.

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*Number of Stockholders.*

- 161 Defts' Exh. 226 is a statement of number of stockholders of I. H. Co. February 8, 1913, showing division between employes and others.

|                        | Number of Preferred Common<br>Stockholders Shares Shares Total |         |         |           |
|------------------------|----------------------------------------------------------------|---------|---------|-----------|
| Total February 8, 1913 | 6,543                                                          | 600,000 | 800,000 | 1,400,000 |
| Employes               | 3,054                                                          | 29,584  | 40,144  | 69,728    |
| Others                 | 3,489                                                          | 570,416 | 759,856 | 1,330,272 |
| Total                  | 6,543                                                          | 600,000 | 800,000 | 1,400,000 |

**ADVANCING WAGES AND RAW MATERIAL COSTS. GENERAL  
UPWARD TREND OF PRICES OF MANUFACTURED AND  
FARM PRODUCTS.**

*Increasing Raw Material Costs.*

- 124 Mr. REAY. An increase in prices was made for 1908, in certain lines. The amount of profit in 1908 derived from the increase on the old lines was approximately \$1,250,000, as compared with 1907. The increase in the cost of raw materials used in manufacturing the old lines sold in 1908 was \$1,200,000 more than it would have been if the price of materials at that time had been what the price was in 1902. By "old lines" I refer to grain machines, mowers, rakes, corn binders, and their repairs and attachments sold in the United States.

There was an increase in price made effective during season of 1908, and it continued until the close of 1911 season. The total amount of profit so derived from the increase in prices during 1908 to 1911 on the old lines sold in the U. S., was approximately \$5,250,000. The increased cost of materials entering into the manufacture of old lines sold in the U. S. between 1903 and 1912, above what it would have been upon the basis of 1902 prices, was a little over \$9,000,000.

*Raw Material Costs 1902 to 1912.*

- 105 Mr. REAY. Defts' Exh. 203 correctly states average prices paid by I. H. Co. for gray iron, malleable Bessemer, steel, cotton duck, leather straps, pole stock, hardwood lumber, and crating lumber, during the years 1902

## XIV

to 1912. These are the principal materials entering into the manufacture of the I. H. Co. products. It includes the prices for lumber and iron paid to our subsidiary companies, and is the average market price of all materials from whatever source purchased, whether from our subsidiary companies or in the open market, as shown by our records. (Objected to as immaterial.) The amount purchased from our subsidiary companies would not be sufficient to influence the statement especially. The figures for 1902 represent the average contract prices of those materials purchased by the Champion, Deering, McCormick, Milwaukee, Osborne and Plano companies for the year 1902.

## DEFENDANTS' EXHIBIT 203.

International Harvester Company  
AVERAGE CONTRACT PRICE OF MATERIALS PURCHASED  
Seasons 1902 to 1912

|                                   | 1902    | 1903  | 1904  | 1905  | 1906  | 1907  | 1908  | 1909  | 1910  | 1911  | 1912  |
|-----------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Grey Iron<br>(G. T.)              | \$13.50 | 17.52 | 17.19 | 14.91 | 16.35 | 20.70 | 16.67 | 16.47 | 16.55 | 15.96 | 14.80 |
| Malleable Bes-<br>semer (G. T.)   | 14.50   | 19.56 | 17.08 | 15.90 | 16.92 | 21.84 | 17.02 | 16.96 | 16.49 | 16.00 | 14.81 |
| Steel (Base<br>Price per<br>cwt.) | 1.35    | 1.65  | 1.76  | 1.46  | 1.51  | 1.66  | 1.60  | 1.50  | 1.40  | 1.50  | 1.30  |
| Cotton Duck<br>(Yard)             | .29     | .32   | .37   | .34   | .37   | .36   | .41   | .35   | .38   | .40   | .31   |
| Leather Straps<br>(Lb.)           | .30     | .36   | .35   | .36   | .41   | .50   | .54   | .46   | .43   | .44   | .50   |
| Pole Stock<br>(1000 ft.)          | 26.00   | 26.00 | 28.00 | 35.00 | 37.50 | 37.50 | 32.00 | 30.00 | 32.00 | 32.00 | 36.00 |
| Hardwood Lum-<br>ber (1000 ft.)   | 25.50   | 32.00 | 32.50 | 35.00 | 36.50 | 38.00 | 36.00 | 35.50 | 35.00 | 34.00 | 38.00 |
| Crating Lum-<br>ber (1000 ft.)    | 9.00    | 8.00  | 9.00  | 10.00 | 10.50 | 13.00 | 10.50 | 10.50 | 10.25 | 10.00 | 13.00 |

NOTE:—The average contract prices for 1902 represent those of the Champion, Deering, McCormick, Milwaukee, Plano, and Osborne companies.  
June 25, 1913.

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*1912 Wages 32 Per Cent. Higher than 1902.*

- 107 Mr. Reay: Defts' Exh. 204 correctly states the average hourly earnings of employes at the U. S. Works (excluding Twine Mills) for 1902 to 1912, and shows that these have increased 32.52 per cent. over 1902.

| Year | Average<br>Earnings<br>per Hour | Per Cent<br>of Increase<br>Over 1902 |
|------|---------------------------------|--------------------------------------|
| 1902 | 19.28c                          | —                                    |
| 1903 | 20.58                           | 6.74                                 |
| 1904 | 22.11                           | 14.68                                |
| 1905 | 22.27                           | 15.51                                |
| 1906 | 22.38                           | 16.08                                |
| 1907 | 22.97                           | 19.14                                |
| 1908 | 23.24                           | 20.54                                |
| 1909 | 23.47                           | 21.73                                |
| 1910 | 23.79                           | 23.39                                |
| 1911 | 24.62                           | 27.70                                |
| 1912 | 25.55                           | 32.52                                |

Note: The average hourly earnings are based on total number of hours worked divided into total wages earned.

*Increase in Wages and Raw Material Costs.*

- 108 Defts' Exh. 205 is a chart indicating relative prices of materials consumed in I. H. Co.'s manufacture, and average hourly earnings of works employes in the U. S. from 1902 to 1912. The line marked "All Material," indicates that using 1902 as a basis the relative prices of materials increased to a point of 23 per cent. in 1907. The line
- 109 marked "All Labor (Average Hourly Earnings)" indicates that wages steadily increased, until in 1912 the average hourly earnings paid I. H. Co. employes at the U. S. works had increased approximately 33 per cent. over 1902. These wages relate wholly to employes at the works, excluding twine mills, and not to employes in the general offices.

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*Upward Trend of Prices 1899 to 1912.*

132 Defts' Exh. 223.—Table showing relative wholesale prices of raw and manufactured commodities and farm products, 1899 to 1912, from Bulletin No. 114, issued April 4, 1913, by U. S. Bureau of Labor. (Average for 1890-1900 = 100.)

| Year     | Farm Products | Raw Com-<br>modities | Manufactured<br>Commodities | All Com-<br>modities |
|----------|---------------|----------------------|-----------------------------|----------------------|
| 1899     | 100.0         | 105.9                | 100.7                       | 101.7                |
| 1900     | 109.5         | 111.9                | 110.2                       | 110.5                |
| 1901     | 116.9         | 111.4                | 107.8                       | 108.5                |
| 1902     | 130.5         | 122.4                | 110.6                       | 112.9                |
| 1903     | 118.8         | 122.7                | 111.5                       | 113.6                |
| 1904     | 126.2         | 119.7                | 111.3                       | 113.0                |
| 1905     | 124.2         | 121.2                | 114.6                       | 115.9                |
| 1906     | 123.6         | 126.5                | 121.6                       | 122.5                |
| 1907     | 137.1         | 133.4                | 128.6                       | 129.5                |
| 1908     | 133.1         | 125.5                | 122.2                       | 122.8                |
| 1909     | 153.1         | 136.8                | 123.9                       | 126.5                |
| 1910     | 164.6         | 139.7                | 129.6                       | 131.6                |
| 1911     | 162.0         | 139.9                | 126.6                       | 129.2                |
| 127 1912 | 171.3         | 149.5                | 129.7                       | 133.6                |

*Purchasing Power of Farm Products 1899, 1909, 1910.*

A part of report of Chief of Bureau of Statistics of U. S. Department of Agriculture, for 1911. (Defts' Exh. 215.) (Objected to as immaterial and hearsay):

*"Farm Values and Purchasing Power of Farm Products."*

Page 14.—In my report of 1910 I showed that the value of 1 acre of the farmer's crops in 1909 was 72.7 per cent. more than in 1899; that the cost of articles purchased by farmers had increased about 12.1 per cent.; and, consequently, the purchasing power of the produce of 1 acre in 1909 was about 54 per cent. greater than the purchasing power of the produce of 1 acre in 1899.

Page 15.—An extensive inquiry has been made by the Bureau of Statistics among retail dealers doing business with farmers relating to prices paid by farmers for articles usually purchased by them. From this inquiry it appears that most articles purchased by farmers cost more in 1910 than in 1909, the average increase being about 1.5 per cent. Therefore the purchasing power of produce of 1 acre in 1910 was about 7.3 per cent. less than in 1909, but still about 44.1 per cent. more than in 1899. The purchasing power of an acre of corn in 1910 was about 13.3 per cent. less than in 1909 and 39.2 per cent. more than in 1899; the purchasing power of an acre of wheat in 1910 was about 20.2 per cent. less than in 1909 and 53.2 more than in 1899; and the purchasing power of an acre of cotton in 1910 about 9.5 per cent. more than in 1909 and 44.1 per cent. more than in 1899.

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Page 16.—The number of acres of corn, wheat, etc., which was required to buy articles specified, in 1910, 1909, and 1899, was as follows:

(Cost in acres of produce.)

|                          | Corn |      |      | Wheat |      |      | Cotton |      |      | Average of all crops. |      |      |
|--------------------------|------|------|------|-------|------|------|--------|------|------|-----------------------|------|------|
|                          | 1910 | 1909 | 1899 | 1910  | 1909 | 1899 | 1910   | 1909 | 1899 | 1910                  | 1909 | 1899 |
| Stove . . . . .          | 1.7  | 1.4  | 2.3  | 1.8   | 1.4  | 2.7  | 0.9    | 1.0  | 1.5  | 1.4                   | 1.3  | 2.1  |
| Shotgun . . . . .        | .8   | .7   | 1.4  | .9    | .7   | 1.7  | .4     | .5   | .9   | .7                    | .7   | 1.3  |
| Buggy . . . . .          | 5.9  | 5.1  | 8.3  | 6.2   | 4.9  | 9.6  | 3.1    | 3.5  | 5.3  | 5.1                   | 4.7  | 7.4  |
| Cream separator . . . .  | 4.3  | 3.9  | 7.6  | 4.6   | 3.8  | 8.9  | 2.3    | 2.7  | 4.9  | 3.7                   | 3.6  | 6.8  |
| Grindstone . . . . .     | .3   | .2   | .4   | .3    | .2   | .5   | .2     | .2   | .3   | .3                    | .2   | .4   |
| Harness (single) . . . . | 1.4  | 1.2  | 1.8  | 1.5   | 1.2  | 2.1  | .7     | .8   | 1.1  | 1.2                   | 1.1  | 1.6  |
| Harrow . . . . .         | .8   | .7   | 1.1  | .8    | .7   | 1.3  | .4     | .5   | .7   | .7                    | .6   | 1.0  |
| Manure spreader . . . .  | 7.7  | 6.8  | 11.8 | 8.2   | 6.6  | 13.8 | 4.1    | 4.7  | 7.5  | 6.7                   | 6.3  | 10.6 |
| Mower . . . . .          | 3.6  | 3.1  | 5.4  | 3.8   | 3.0  | 6.3  | 1.9    | 2.1  | 3.5  | 3.1                   | 2.9  | 4.8  |
| Plow . . . . .           | .9   | .8   | 1.3  | .9    | .7   | 1.5  | .5     | .5   | .8   | .7                    | .7   | 1.1  |
| Saddle . . . . .         | 1.3  | 1.1  | 1.7  | 1.3   | 1.1  | 2.0  | .7     | .8   | 1.1  | 1.1                   | 1.0  | 1.5  |
| Tedder . . . . .         | 2.3  | 1.9  | 3.2  | 2.4   | 1.9  | 3.8  | 1.2    | 1.3  | 2.1  | 2.0                   | 1.8  | 2.9  |
| Wagon (single) . . . .   | 3.6  | 3.1  | 5.2  | 3.9   | 3.0  | 6.1  | 1.9    | 2.2  | 3.3  | 3.2                   | 2.9  | 4.7  |
| Wagon (double) . . . .   | 5.4  | 4.5  | 7.1  | 5.8   | 4.4  | 8.3  | 2.9    | 3.1  | 4.6  | 4.7                   | 4.2  | 6.4  |

*Wealth Production on Farms 1910, \$9,299,000,000.*

129 Defts' Exh. 217.—Table showing wealth production on farms, 1899-1912, from census statistical abstract of the U. S., 1912, page 184:

|      | Wealth Production. |
|------|--------------------|
| 1899 | \$4,717,000,000    |
| 1900 | 5,017,000,000      |
| 1901 | 5,317,000,000      |
| 1902 | 5,617,000,000      |
| 1903 | 5,887,000,000      |
| 1904 | 6,122,000,000      |
| 1905 | 6,274,000,000      |
| 1906 | 6,764,000,000      |
| 1907 | 7,488,000,000      |
| 1908 | 7,891,000,000      |
| 1909 | 8,498,000,000      |
| 1910 | 9,037,000,000      |
| 1911 | 8,819,000,000      |
| 1912 | 9,299,000,000      |

Acreage, production and value of principal farm crops 1899 and 1909, from Abstract Thirteenth Census of U. S., p. 360. Said table Defts' Exh. 218. (See Vol. XIV, p. 324.)

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*Value of Farm Property in U. S.*

128 Defts' Exh. 216 is table showing value of farm property, 1850-1910, from reports of the Census, states value in 1910 of:

|                                             |                  |
|---------------------------------------------|------------------|
| All farm property                           | \$40,991,449,090 |
| Land                                        | 28,475,674,169   |
| Buildings                                   | 6,325,451,528    |
| Implements and machinery                    | 1,265,149,783    |
| Live stock                                  | 4,925,173,610    |
| Per cent. of value of all farm property in— |                  |
| Land                                        | 69.5             |
| Buildings                                   | 15.4             |
| Implements and machinery                    | 3.1              |
| Live stock                                  | 12.0             |

**BINDER SALES IN THE UNITED STATES.****ALEX LEGGE:**

52 I have prepared a statement comparing the small grain crop production and the binder sales in the U. S. from 1903 to 1912, with the period from 1898 to 1902. The number of binders sold in 1898, 1899 and 1900 were compiled from statistical records of the old companies. We have

53 never had access to their books, and there may be some slight inaccuracies. The record was prepared in 1904 for comparative purposes and to be used in the business, and is practically correct. For the two later years the figures are from the appraisal records, for the years 1901 and 1902.

As to why binders were computed at \$130 in the period from 1903 to 1912, and at \$125 from 1898 to 1902. From 1903 to 1912, we sold a larger percentage of 8 ft. or larger sized machines, which has been provided for by figuring the average at \$5 higher in order to make a fair comparison.

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*Defts'. Ex. 188, Showing Annual Amount Paid by Farmers of U. S. for Binders (I. H. Co.'s and All Other Makes)—Average for Five Years 1898 to 1902, \$19,045,500; Average for 10 Years, 1903 to 1912, \$11,890,450.*

“STATEMENT OF SMALL GRAIN CROP PRODUCTION AND BINDER SALES IN THE UNITED STATES, PERIOD 1903 TO 1912 COMPARED WITH PERIOD 1898 TO 1902.”

54 The small grain acreage for 1899 and 1909 taken from testimony of J. L. Coulter, November 1, 1912, in this suit. The small grain acreage and value of small grain crop for other years from the reports of the U. S. Departments of Agricultural and Commerce and Labor. “Small grains” includes wheat, oats, rye, barley, flax and buckwheat.

Binder sales 1898 to 1902, includes sales of Champion, Deering, McCormick, Milwaukee, Osborne and Plano Companies; 1903 to 1912 sales of I. H. Co. of America

| Year                          | Binder Sales<br>Cost to Farmers<br>at<br>\$125.00 each |              | Small Grain Crop<br>Production<br>Acres<br>Value<br>of Crop |                 | Percentage<br>of Binder<br>Cost to<br>Crop Value |
|-------------------------------|--------------------------------------------------------|--------------|-------------------------------------------------------------|-----------------|--------------------------------------------------|
|                               | No. Sold                                               |              |                                                             |                 |                                                  |
| 1898                          | 161,820                                                | \$20,227,500 | 76,559,000                                                  | \$ 634,147,000  | 3.2%                                             |
| 1899                          | 161,681                                                | 20,210,125   | 91,570,000                                                  | 665,694,000     | 3.0                                              |
| 1900                          | 127,328                                                | 15,916,000   | 76,939,000                                                  | 591,489,000     | 2.7                                              |
| 1901                          | 146,377                                                | 18,297,125   | 88,510,000                                                  | 862,732,000     | 2.1                                              |
| 1902                          | 164,616                                                | 20,577,000   | 86,040,000                                                  | 844,258,000     | 2.4                                              |
| <hr/>                         |                                                        |              |                                                             |                 |                                                  |
| 5 Yr.<br>Average (1898-1902)  | 152,364                                                | 19,045,500   | 83,924,000                                                  | \$ 719,664,000  | 2.6%                                             |
| <hr/>                         |                                                        |              |                                                             |                 |                                                  |
|                               | At \$130.00 each                                       |              |                                                             |                 |                                                  |
| 1903                          | 104,273                                                | \$13,555,490 | 88,041,000                                                  | \$ 817,789,000  | 1.7%                                             |
| 1904                          | 86,382                                                 | 11,229,600   | 81,914,000                                                  | 900,350,000     | 1.2                                              |
| 1905                          | 89,699                                                 | 11,660,870   | 86,022,000                                                  | 900,496,000     | 1.3                                              |
| 1906                          | 92,574                                                 | 12,034,620   | 89,885,000                                                  | 925,159,000     | 1.3                                              |
| 1907                          | 89,627                                                 | 11,651,510   | 89,086,000                                                  | 1,049,051,000   | 1.1                                              |
| 1908                          | 64,368                                                 | 8,367,840    | 91,977,000                                                  | 1,156,475,000   | .7                                               |
| 1909                          | 86,006                                                 | 11,180,780   | 92,277,000                                                  | 1,224,360,000   | .9                                               |
| 1910                          | 92,937                                                 | 12,081,810   | 96,484,000                                                  | 1,135,926,000   | 1.1                                              |
| 1911                          | 97,335                                                 | 12,653,550   | 100,650,000                                                 | 1,172,472,000   | 1.1                                              |
| 1912                          | 111,447                                                | 14,488,110   | 97,070,000                                                  | 1,189,264,000   | 1.2                                              |
| <hr/>                         |                                                        |              |                                                             |                 |                                                  |
| 10 Yr.<br>Average (1903-1912) | 91,465                                                 | \$11,890,450 | 91,341,000                                                  | \$1,047,134,000 | 1.1%                                             |

Decrease in Binder Sales:

The average number of binders sold by I. H. Co. of America in the U. S. 1903 to 1912, is only 60 per cent. of the average number sold by the Champion, Deering



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- 55 McCormick, Milwaukee, Osborne, and Plano companies 1898 to 1902, although the average acreage of small grain has slightly increased, and although in 1910 there were 624,130 more farms than in 1900, and 1,796,861 more than in 1890.

|                                            | Decrease in<br>Number Sold<br>by I. H. Co. | Decrease in<br>Cost to Farmers<br>on I. H. Co. Binders |
|--------------------------------------------|--------------------------------------------|--------------------------------------------------------|
| Average decrease per annum is              | 60,899                                     | \$7,155,050                                            |
| Total decrease for 10 Years (1903 to 1912) | 608,990                                    | 71,550,500                                             |

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Increase in Small Grain Crop Production

Period 1903 to 1912 compared with period 1898 to 1902:

|                                               | Increase<br>Small Grain<br>Acreage | Gain in<br>Small Grain<br>Crop Value |
|-----------------------------------------------|------------------------------------|--------------------------------------|
| Average increase per annum                    | 7,417,000                          | \$ 327,470,000                       |
| Total increase for 10 years<br>(1903 to 1912) | 74,170,000                         | 3,274,700,000                        |

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- 55 Percentage of Binders Sold to Small Grain Acreage:

The percentage of binders sold to acreage planted has been cut in half. In other words, in the period 1903 to 1912, one binder was sold by the I. H. Co. of America for every 999 acres of small grain planted, whereas in the period 1898 to 1902 one binder was sold for every 551 acres of small grain planted.

Percentage of Binder Cost to Small Grain Crop Value:

The percentage of binder cost to small grain crop value has been reduced from an average of 2.6% in the period 1898 to 1902, to 1.1% in the period 1903 to 1912, a reduction of 58%. In other words, for every \$1,000 small grain crop value in the first period, the binder cost to the farmers on I. H. Co. lines was \$26 compared to a binder cost of only \$11 in the latter period.

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|    |                                                  |                    |                  |                  |
|----|--------------------------------------------------|--------------------|------------------|------------------|
| 56 | Number and acreage of farms—(U. S. Census 1910). |                    |                  |                  |
|    |                                                  | Census Year        | Census Year      | Census Year      |
|    |                                                  | 1890               | 1900             | 1910             |
|    | Number of Farms                                  | 4,564,641          | 5,737,372        | 6,361,502        |
|    | Number of Acres in Farms:                        |                    |                  |                  |
|    | Improved                                         | 357,616,755        | 414,498,487      | 478,451,750      |
|    | Unimproved                                       | 265,601,864        | 424,093,287      | 400,346,575      |
|    | Total                                            | 623,218,619        | 838,591,774      | 878,798,325      |
|    | Average Number of Acres to a Farm                | 136.5              | 146.2            | 138.1            |
|    | Percentage of Farm Land:                         |                    |                  |                  |
|    | Improved                                         | 57.4%              | 49.4%            | 54.4%            |
|    | Unimproved                                       | 42.6%              | 50.6%            | 45.6%            |
|    | Value of farm property—(U. S. Census 1910):      |                    |                  |                  |
|    | Land                                             | (\$13,279,252,649) | \$13,058,007,995 | \$28,475,674,169 |
|    | Buildings                                        | ( — )              | 3,556,039,496    | 6,325,451,528    |
|    | Implements and Machinery                         | 494,247,467        | 749,775,970      | 1,265,149,783    |
|    | Live Stock                                       | 2,308,767,573      | 3,075,477,703    | 4,925,173,610    |
|    | All Farm Property                                | \$16,082,267,689   | \$20,439,901,164 | \$40,991,449,090 |
|    | Percentage of value of all farm property in:     |                    |                  |                  |
|    | Land                                             | (82.6%)            | 63.9%            | 69.5%            |
|    | Buildings                                        | ( . . . . )        | 17.4             | 15.4             |
|    | Implements and Machinery                         | 3.1                | 3.7              | 3.1              |
|    | Live Stock                                       | 14.3               | 15.0             | 12.0             |

*Binder Sales in U. S. 1903 to 1912.*

|    |                                                                                                                                 |              |
|----|---------------------------------------------------------------------------------------------------------------------------------|--------------|
| 57 | Note: The sales of binders in U. S. from 1903 to 1912 were:                                                                     |              |
|    | Sales by I. H. Co. of America                                                                                                   | 914,648      |
|    | Sales by competitors (partly estimated)                                                                                         | 91,315       |
|    | Total binder sales for 10 years                                                                                                 | 1,005,963    |
|    | Estimated inventory value at \$65 per binder, representing 50% of original cost to the farmer                                   | \$65,387,595 |
|    | Percentage of inventory value of binders to inventory value of all farm implements and machinery (as per Government statistics) | 5.2%         |
| 58 | All above figures as to acreage and value of crops are official, except of acreage of flax for 1898, 1900, 1901, and            |              |

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its crop value for year 1898, 1899, 1900 and 1901. The flax crop being a very small percentage of the total small grains, the acreage and crop value is estimated for the years above stated by using the official figures as to production.

*Cross-Examination.*

- 77 Mr. LEGGE. Referring to above Exh. 188, Binder Sales, Cost to Farmers, years 1898 to 1902: I got the figure, \$125, from my own personal experience and that of a number of my associates who have been in business practically all their lives.

The Deering and McCormick appraisals showed average price at which binders were sold to retail dealer; my statement shows what we believe to be average cost to consumer.

- 78 As to whether in 10 years from 1890 to 1900 there was a large new territory opened up in the U. S. to grain farms: that is true of some localities, not in others. In territory in which I was operating personally we had less farms at end of that period than at beginning. As to whether the wheat acreage was largely increased from 1890 to 1900: There was some increase during that period; do not think it was great.

IMPROVED QUALITY, EFFICIENCY AND DURABILITY OF MACHINES, AND REPAIR AND EXPERT SERVICE.

III

ALBERT J. GLASS (witness for petitioner):

*Three Witnesses for Petitioner Who State Binders and Mowers Not Improved in Last Ten Years.*

General Manager of Adriance-Platt Co. I should say  
359 the binder has not improved in quality in the last ten years; I believe they have been cheapened somewhat and perhaps some desirable features have been eliminated in the endeavor to standardize. They are, perhaps, as efficient as ever, but not quite so substantially made.

The development of the binder continued about 20 years, and then stopped about 10 or 12 years ago, and there has  
360 been no change in the binder in the method of doing work since that time. The first automatic binder used wire and then Appleby invented the twine binder in the early 80's. I think Deering brought out the first commercially successful twine binders about 1880.

*Cross-Examination.*

361 I meant that the binders of our principal competitors since 1902 have been cheapened in the effort to standardize them. I think our binders are as good as they were. It would not be modest for me to say that we are selling a better machine than our competitors.

385 JOHN D. CURTIS (witness for petitioner):

Vice President of Richardson Mfg. Co. In my opinion the mower has not improved since 1902 though there have been additions in selling points. So far as cutting the  
386 grass, there has been no improvement in 20 years. I think the hay rake reached its highest point of perfection 15 years ago.

*Cross-Examination.*

390 We do not make any secret of the fact that there has been no improvement in the mower for 20 years.

## II

MIKE LAMB (witness for petitioner):

331 The binder is no better today than it was in 1904 when  
 334 I quit. From 1881 down to 1903 there were changes made  
 from year to year; some were improvements, some not.  
 The binders of other manufacturers were also changed.  
 The same is true of mowers and corn binders. The manu-  
 facture has never remained stationary.

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DEFENDANTS' WITNESSES TESTIFYING TO IMPROVEMENTS.

313 JOHN F. STEWARD (witness for defendants):

*Harvesting Machine Experience of 48 Years.*

I am an inventor, mechanical engineer in agricultural  
 lines, and patent expert. Have studied harvester inven-  
 tions and patents practically 48 years. In 1865 was with  
 Steward & Marsh, who invented the Marsh harvester, pat-  
 ented in 1858. Before that reapers had been exclusively  
 used. Reapers required two men to operate, one to drive,  
 the other to rake the gavels that were to be formed into  
 bundles from the receiving platform. I saw a perfect  
 314 Marsh machine, operate in 1861. Upon my return from  
 the Army by brother and one of the Marshes undertook  
 to manufacture a few machines; 26 were sold in '64; 24  
 in '65.

The reaper had been so modified that two men could  
 ride and bind the grain as fast as cutting and conveying  
 apparatus could bring the straw to them; thus doing the  
 work formerly done by from four to six.

315 The Marsh harvester demonstrated the possibility of  
 an attachment in the position occupied by the two men;  
 inventors at once set to work to devise machines that  
 could operate from a flowing swath of grain precisely as  
 the men had done before.

Between 1865 and 1902 I was with the successor of  
 Steward & Marsh; this firm was changed to Marsh, Stew-  
 ard & Company; in 1865 became Gammon, Deering &  
 Steward, then Gammon & Deering until 1879, when Gam-  
 mon sold out to William Deering, who carried on the busi-  
 ness until 1882, when the corporation of William Deering  
 & Co., afterwards Deering Harvester Co., was formed.  
 The Deering factory was established in Chicago in the  
 fall of 1880.

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*Improvements Now More Intelligently Made.*

- 317 I was in charge of the experimental, invention and patent work of the various Deering companies for nearly all these years. We strove to keep up with the best machines and to excel them if possible. Since the organization of the I. H. Co. have had like relations to its experimental, inventing and developing work, but not to quite as great an extent; from 1903 until 1908 was in charge of
- 318 patent matters, devoting less attention to inventing. I was familiar with what I. H. Co. experimental department was doing during that time. It was my business to know whether they were doing what might infringe patents, and to determine what improvements were patentable. There has been no less activity in the I. H. Co. experimental, development and designing work, with relation to harvesting machinery, compared with the preceding ten years of my employment with the Deerings. Comparing improvements in harvesting machinery made by the I. H. Co. with improvements made by the Deering Co. in the preceding ten years, they have not only been more intelligently made, but greater efforts have been made to perfect the various devices and combinations of devices, finishing touches, correcting defects because farmers are getting more technical. To illustrate, ten or twelve years ago if a binder missed tying a half-dozen bundles in a day, little was thought of it; but now, if a farmer has to get off his machine and thread up his needle six times a day, we hear from him.

*Efficiency and Durability Increased in Last Ten Years.*

- 319 All binders of the I. H. Co. have been rebuilt in the last ten years; the Deering entirely, to adapt it to the heavy grain conditions abroad. The cost must have increased. The efficiency and durability of the Deering binder for use in the U. S. has been increased very materially; to what extent cannot be stated in percentages. To the farmer who houses his machine out of doors, the increased efficiency is not felt very much, but to the farmer who cares for his machine properly, durability has been increased 10 to 25 per cent., and efficiency materially, because farmers are getting to be better farmers in the Middle West and East, they raise larger crops than fifteen or twenty years ago.

The McCormick binder has been almost entirely re-

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built in the last ten years; the improvements about even with those made in the Deering.

- 320 As to the organization for designing improvements in the last ten years, there are certain men working on the different types; to a large extent they cooperate. An effort was made to make all machines as good as the best. Some types had superior points; these were adopted, sometimes not in the exact specific forms, by designers at the other factories.

*Binders Rebuilt in Last Ten Years.*

The rebuilding was to make the machines efficient, durable, with the best finishing touches possible. This applies to the rebuilding of the Plano, Osborne and Champion, almost entirely; fewer changes were made in the Milwaukee than any other. The characteristic features of the various machines that had proven to be of value were retained in each; that is, the Champion type of elevating devices was maintained and that principle carried through all harvesters and binders.

The Plano mower was rebuilt twice; the Osborne mower practically twice; the Champion mower made entirely new. The McCormick mower has been rebuilt, although the older machines, which were good ones, are still put out. All mowing machines for European countries were modified, and to a large extent those modifications were applied to domestic machines.

- 321 The Plano and Osborne mowers were rebuilt twice in the hope of correcting errors. It was found no small remedy could be applied, and the mower, from the cutting apparatus to the means of handling it, was changed largely to embody the essential and valuable features of the McCormick and Deering. The Plano mower was a decidedly inferior mower at that time. The Plano harvester was entirely rebuilt; it was far inferior to McCormick and Deering machines, and after several efforts to correct its defects was wholly abandoned. The Plano harvester, as received by the I. H. Co. had not to the fullest extent passed through the experimental stages; hence the defects.

*Expenses of Rebuilding.*

It is impossible to tell the cost of rebuilding. I guess—and I fear I may guess too low—that the cost of rebuild-

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ing the Plano harvester and binder, carrying it through its experimental stages, must have been \$50,000. My guess may not be very wrong.

- 322 My estimate of the rebuilding of the Deering and McCormick harvesters and binders was not less than \$100,000 each.

*Other Manufacturers Improving.*

Other manufacturers have been as wide awake, I think, as we. The Acme has made some improvements in its reels which forced other manufacturers to apply similar supports. The Deere people have added many little touches to their reel support; they improved the Deering reel a little. The I. H. Co. has as many, possibly a few more, inventors and experimenters devoting their attention to harvesting machinery as the old companies had. These men are constantly devising improvements, curing defects, and adding finishing touches.

- 323 In the history of the self binder and mower, different machines had leadership and came and went. The Buckeye mower was once the leader; Champion reapers and mowers were once kings and queens of the harvest field; then came, for instance, the reel-rake reaper in which the Johnston Co. was at the head. In mowers at first Deering led, then came McCormick and various others, neck to neck. Leadership depends upon superiority and mechanical perfection, but largely in the addition of new inventions which add to the efficiency of the machines.

*The Hardest Recent Problem—The Tongue Truck.*

- 324 The hardest problem was to adapt a tongue truck to a harvester and binder. Adaptation has been made in the last ten years. Experiments were begun, but quite unsuccessful until the I. H. Co. was formed, at which time the company began efforts to devise tongue trucks that would operate perfectly, and various forms have been made. I have seen no tongue truck as perfect, as, for instance, the fore carriage of a wagon; that is what we endeavored to produce and have approximated in the last ten years. Possibly 200, maybe more, inventors, designers and experimenters have been employed by the I. H. Co. on an average.



*Patents Purchased Only for Use.*

While I was the head of the Patent Department we purchased very few patents. I recall the purchase of none we did not buy for the purpose of use. The I. H. Co. has to no extent whatever used, or attempted to use, its patents in the last ten years for purposes of litigation. Its policy had been otherwise.

*Cost of International's Development Work.*

325 Defts' Exh. 97—Comparative statement of experimental and development expenditures of I. H. Co., U. S. Works, 1903 to 1912:

|                  | Experimental<br>Expense. | Development<br>Expense. | Total.         |
|------------------|--------------------------|-------------------------|----------------|
| 1903 (Estimated) | \$175,000.00             | .....                   | \$175,000.00   |
| 1904 (Estimated) | 210,000.00               | .....                   | 210,000.00     |
| 1905             | 208,667.43               | 234,558.07              | 443,225.50     |
| 1906             | 381,094.65               | 133,487.03              | 514,581.68     |
| 1907             | 314,451.26               | 143,565.96              | 458,017.22     |
| 1908             | 260,216.91               | 233,205.24              | 493,422.15     |
| 1909             | 298,619.21               | 43,884.22               | 342,503.43     |
| 1910             | 343,828.85               | 52,909.52               | 396,738.37     |
| 1911             | 412,387.10               | 60,000.00               | 472,387.10     |
| 1912             | 516,926.61               | 91,356.28               | 608,282.89     |
| Total            | \$3,121,192.02           | \$992,966.32            | \$4,114,158.34 |

NOTE:—The above is exclusive of foreign works experimental and development expense and flax twine development expense.

*Cross-Examination.**Early Inventions.*

During my life there have been wonderful and radical changes in the method of harvesting grain and grass crops,—greater progress than in the entire previous history of the race. I have devoted practically my entire life towards assisting to bring about these developments.

Three men, with the Marsh harvester, were enabled to do the work which theretofore had been done by 8 to 10 men. The old reaper required from 8 to 10 men to follow all the time, and remove the grain cut on each

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round from the line of travel on the next round. As early  
 327 as 1849 inventors attempted to bind semi-automatically. In 1851, Watson & Renwick invented a binder, introducing many elements now embodied in the automatic binders. In 1853, they and Peter Watson took out another patent providing other means for binding the bundles centrally. They attempted to use twine, but those early attempts cannot be considered the forerunner of the present knot-  
 328 ting devices. In 1873 D. R. Locke succeeded in selling three automatic binders mounted upon Marsh harvesters. His last machines used wire, but the farmers objected to wire. In 1858, John F. Appleby invented the present knotting bill of modern binders. In the meantime Jacob Behel, of Rockford, Ill., conceived practically the same form of tying bill. In 1870, George H. Spaulding began making an automatic binder, and succeeded in binding bundles of uni-  
 329 form size. The next year he built a machine in which packing devices substantially as now used, would engage the grain straws by their long teeth, forced them against the tripping arm, and put the binding device into action.

The next important step was: John F. Appleby and Holmes embodied in 1875, '6 and '7, the essential principles of the binding appliance of today attached to the Marsh harvester. They embodied the central binding of Watson and Renwick, the additional compression in order to give twine to the knotter for the formation of the knot, the packing devices of Spaulding and of John Gordon of 1872, the bundle ejecting mechanism of, I think, Higley and Columbia, away back in the sixties. Since that time hundreds of patents have been granted on the finishing touches.

*Binder Approached Perfection 1880.*

The substantial principal inventions of the binder had been made as early as 1851, and they began to expire in 1865; the term being 14 years. Twine binders were operated as early as 1865, but the culmination when the binder might be successfully used with one man was 1880. On direct I stated the binder approached perfection in 1880, when we put out 3,000 successful machines. During my  
 330 employment the Deering Company was always striving for perfection in the binder. William Deering was noted for expending large sums for experimentation, and undoubtedly the same thing was being done more or less

by other companies; my company and the McCormick Company were leaders in that regard.

Milwaukee binders required fewer changes than others because to make its capacity greater it was only necessary to increase its weight. The Milwaukee people had striven to make a very light machine, but they were not adapted to the heavy grains of other parts of the world.

We experimented with tongue trucks, I think, in 1900 and 1901. When they were actually put on the market I cannot say. The one we tested in 1900 was a very crude affair. I do not know whether the Deering Company had done considerable experimenting on the tongue truck.

331 During the harvests of 1898, 1899 and 1900 I was in Europe; when I returned we experimented with the crude affair I speak of.

Deering and McCormick binders and mowers have been leaders in the trade.

#### *Re-direct Examination.*

##### *Tongue Truck Not Yet Perfected.*

As to when the tongue truck was perfected to substantially its present efficiency, it is not perfect yet. It is the most difficult task I ever encountered; they work well; farmers would rather have them than not, but I do not consider them perfect. As to when they reached their present approximate perfection, the McCormick type was as successful as any in 1903. The Deering has not been changed since that time until within two years. Each factory has been endeavoring to adapt the automobile type of steering device to tongue trucks; some have succeeded quite satisfactorily. That began in 1903 and has been carried on to now.

380 Judging by observations, between 50 and 70 per cent. of total experimental and development expense of I. H. Co. during past 10 years has been in improving harvesting lines.

381 As applied to old reapers, the tongue truck pulled the reaper. As applied to binders, the binder pushes the tongue truck. Hence, exceeding great difficulties I spoke of. On my return from Europe in 1900 saw for first time the experiments, but tongue truck did not work well. In 1902 and 1903 a change made it a little more serviceable. So changed it has been used by the Deering branch until

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3 years ago when the automobile type was made. It is being put out this year, I understand, but was invented about three years ago. The automobile type has a jointed axle and is fixed so as to be turned by the tongue of the tongue truck proper.

- 382 I have prepared a tabulation of improvements made in harvesting machines by I. H. Co.,—document marked Deft's Exh. 179,—which contains correct and accurate statements of those improvements.

*Detailed Statement of Improvements in I. H. Co. Harvesting Machines.*

- 383 Statement enumerating in detail the improvements in McCormick, Deering, Champion, Milwaukee, Plano and Osborne lines of binders, mowers and rakes made by I. H. Co. (Deft's Exh. 179; Rec. XIII, pp. 383 to 404, incl.) Outline of this exhibit is as follows:

- 387 Deering Grain Binder. The "Ideal" binder replaced by the "New Ideal"; machine weight fifty pounds more. Capacity and durability increased, resulting in not simply an enlargement of the parts but, redesigning to secure  
389 greater capacity. Deering Header Binder, been changed in many details to give added strength and durability to  
390 withstand the roughest usage. Simple Header, a new machine of cheaper and lighter draft than the header binder. Deering Mower rebuilt, except as to the cutting apparatus. The "Ideal" has been replaced by the "New Ideal." Weight increased 25 to 30 for various sizes of the machines. Intermediate size for Germany, known as the "cow mower," has been provided. Weak points have  
397 been remedied and other basic improvements made. McCormick Mower, improved in important respects, strengthened for greater wear and new sizes designed and manufactured. Six different reaping attachments have been designed.

*I. H. Co. Improvements in Deering Harvesters.*

- 392 The "Ideal" rake replaced by the "New Ideal," weight increased by a few pounds. The principal change is in the manner of securing the rake teeth, and improvements in strength and durability of wheels. Weak parts have been strengthened, repairs rendered simpler, materials  
393 standardized. Deering Rice Binder. Rebuilt in 1903, and so constructed that farmers in Missouri can use same

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machine for harvesting either rice or ordinary grain crops. Further experiments under way.

*I. H. Co. Improvements in McCormick Harvesters.*

McCormick Grain Binder. Complete redesigning of certain binding mechanisms. Further improved to increase  
 394 capacity in extra heavy grain. New design known as the  
 "Improved Harvester"; one thousand were built for 1911  
 harvest, five thousand for 1912, and it is proposed to have  
 395 all for 1913 of this pattern. McCormick Header Binder  
 strengthened and redesigned from year to year to afford  
 greater durability, to prevent breakage, and to secure  
 greater convenience. The character of some materials  
 396 has been changed. Radical changes made to avoid severe  
 strain and rapid wear. These later improvements affect-  
 ing large number of parts were put on machines in 1910  
 and 1911, and are now being carried into the entire prod-  
 397 uct. Weight of the machine increased about two hundred  
 pounds. Improved binding attachment, making for greater  
 durability being tested. A few have been run during two  
 harvests. McCormick Header has been improved to meet  
 rough field conditions, the latest improvement dating 1912.

*I. H. Co. Improvements in Champion Harvesters.*

383 Champion Grain Binder proved inadequate for the Eu-  
 ropean as well as the domestic trade. Redesigned in 1908,  
 and called Improved Champion Binder. Champion Header  
 Binder, an innovation of the I. H. Co., designed originally  
 for South American trade, but advantages gained in build-  
 ing for that trade have gone into the domestic trade.  
 386 Champion Mower, twice rebuilt and facilities for manu-  
 facture increased, and breakages obviated.

*I. H. Co. Improvements in Milwaukee Harvesters.*

399 Milwaukee Grain Binders. Few changes have been  
 made. The extent of their use has been increased, a new  
 size has been added and improvements made for simplic-  
 ity and better appearance. Machine is particularly in-  
 400 tended for hilly country and light crops. Milwaukee Mow-  
 ers. Original Milwaukee mower had chain drive. Gear  
 drive machine has been added to the line, which is prac-  
 tically the Keystone renamed and improved in several  
 respects.

## XIII

*I. H. Co. Improvements in Osborne Harvesters.*

- 401 Osborne Binder and Harvester. Original binder replaced by "New Osborne." It was too large and capacious a machine with too little material. The harvester portion was first rebuilt entirely, machine strengthened  
 402 and made more useful. Binding attachment next rebuilt. Osborne Mower. The old mower unsatisfactory, lacked sufficient cutting power and strength and was redesigned, made more rigid and durable, producing in the main a new machine, known as the "New Osborne." Gears rearranged to avoid wearing, and the reaping attachment redesigned to operate more conveniently.

*I. H. Co. Improvements in Plano Harvesters.*

- 403 Plano Grain Binder, the least efficient and durable of the grain binders secured by the International, has been rebuilt so that, except as to the knotter, probably not a dozen of the old parts are retained in the present Plano machine.  
 404 Plano Mowers. Many changes and details have been made, the originals proving inefficient. Have been simplified, strengthened and made more efficient, is not yet satisfactory or up to the standard of efficiency of other lines. A new design has been built, and was tested in the summer of 1912.

370 JOHN F. APPLEBY (witness for defendants):

*Inventor of the Knotter.*

- Reside at Davenport, Ia. I am a manufacturer of harvesting machinery. I invented the knotter and many of the essential parts of the self-binding harvesting machine. I have been acquainted with harvesting machinery  
 371 from the beginning, I suppose, 54 years. When 17 years old I was working on the knotter and the self-sizing of the bundle. The reaper was a tolerable success and I thought a binder could be made to work. I had completed the construction of the knotter in 1858; had not obtained a patent, was too poor; then entered the army.

*Harvesting Machine Development.*

- After war I worked on a binder; there was such a sentiment against binding with twine on account of fear of insects eating it, that I built a wire binder first but had my  
 372 knotter already complete. The twine knotter was well

known before the wire binder. The first successful wire binder was built by Sylvanus D. Locke for Walter A. Wood. I built a wire binder first as an experiment, assisted by Dr. Bishop; then made arrangements with the Beloit Reaper Works Company; we built a successful machine in 1874, but the Beloit Company did not put out any  
 373 wire binders. A farmer said: "That iron band is going to kill my stock"; that threw sufficient cold water on the wire binder. The Parker & Stone people quit right then and there. The Wood wire binder came into use, in a small way, about 1874; I had never seen it; my wire binder was the first.

A year or two after, when I prevailed on Parker & Stone—the Beloit Company—to build a twine binder, I  
 374 built the binder inside of two months by 5 days; they then permitted me to go ahead and improve the machine. That machine was put into operation in winter of 1875, I think. None of those machines were put out; it was not a practical machine. Then I built one that I thought was right—practically the same machine they build today. Then I built the whole binding attachment. My work was completed in the summer of 1876; we cut out a block of grain and bound it all without missing a bundle. I built four  
 375 more that season for them. In 1878 built 115 for the Parker & Stone Reaper Works at Beloit. They were sold from Texas to Illinois and up into Minnesota; they were the first twine binders. In 1880 Deering people built 3,000; they worked: some 20 years.

Some of the patents were not issued yet in 1880 but they were soon after, and of course ran the life of the patent. After 1880 there were only improvements; the essential fundamental principles were all contained in those pat-  
 376 ents. The next binder I built was in 1893 under the name of Craver & Steele, in 1894 changed to Harvest King. At that time it was possible to build a complete, successful self-binder, or binder harvester, without infringing any patents. I was in the same condition anybody else would be. I had sold all my earlier patents after I built it; did not infringe anybody.

The fundamental basic principles of the twine binder were established in 1880; patents were not out on some of them, but the basic principle had been discovered.

## XIII

*Many Substantial, Ingenious Improvements Added by I. H. Co.*

The I. H. Co. have done a great deal to improve the harvester mechanically, and have brought it to a very nice stage of perfection. Many improvements and finishing touches were added from 1880 to 1902.

379

*Re-direct Examination.*

Have recently looked over International's binders and mowers to examine them critically; was going to build a machine myself and looked them over with the idea of getting all good points I could in the way of advanced art, workmanship and skill. The Deering binder I found  
380 lighter and stronger than 10 years ago; the material was best adaptable to its construction; many cunning mechanical parts; roller bearings; ball bearings, taking off the wear at every important point and strengthening them in many ways; could not enumerate all; they are very substantially improved; more durable and convenient and very ingeniously improved.

Some of these machines made in 1880 lasted 20 years; that proves they were fairly durable. Improvements were made in binders from 1880 down to 1902. That improvement has kept steadily on.

## XIV

J. C. WARNES (witness for defendants):

*Inspection Work of I. H. Co.*

Have been chief inspector of the I. H. Co. five years; acquainted with the harvester business 13 years; was with Deering Co. I have general supervision over inspection departments of different works; its function is to insure  
82 good quality of material and the proper manufacture.

The importance of the inspection work in harvester line is that it is necessary to see that proper quality of material enters into machines to avoid breakage in field in busy seasons and great losses. It is necessary to have proper inspection of manufacture to see there is no difficulty in assembling machines or in their proper operation, and no shortages in packages of parts shipped. Laboratories are maintained at each Works where material is  
83 inspected and tested before use. All the way through effort is made to see that standard quality of material is ob-



## XIV

tained. My department sees that each piece and part is made according to blueprint and samples used, in a manner that will work properly; that it is of proper strength and size.

*Inspection Better Than Formerly.*

Before the harvesters are sent to the field, a percentage of them are set up and run by pulley from belt, to see that all parts properly functionate and adjustments are correct; that tensions are as they should be; the cord holder, knoter and all parts are put through regular motions machine gets when it is in field. Special tests are made from time to time.

Inspection at present is better than that in effect at Deering Works before 1902. They did not set them up on racks and run them when assembled, and did not examine gears for trueness as close as now. Gears used to be  $1/16$  of an inch, now it is down to  $1/32$  of an inch or wobble of gear. Inspection of raw material is better than it was. Fit of different parts is better. The present inspection of the McCormick Works compared with before 1902 has more gauges, and is closer.

The same careful inspection is given to the Champion Plano, Osborne, Milwaukee, McCormick and Deering machines; no distinction is made. As to testing of machines some are taken in the yard and tried; run over railroad tracks and rough places at high speed; mowers, for instance, are run at four miles an hour, considerably faster than ever in the field, with belt power. Rakes are put over rough places where teeth will catch, and reapers and harvesters tried out in the worst kind of places.

The laboratories of the I. H. Co. are more numerous and better than those of the old companies. They have a new one at the Deering Works. McCormick Works have reputation of having best commercial laboratory in city, outside of professional laboratories. At these various works more inspectors are employed than before 1902. The number is as follows:

Akron Works, 74; Milwaukee (Insp. & Testing), 189; Plano, 21; Tractor (Insp. & Testing), 127; Weber, 14; Champion, 27; Deering, 70; Keystone, 4; McCormick, 83; Osborne, 36; Deering Twine Mill, 44; McCormick Twine Mill, 50; Osborne Twine Mill, 15; General Office—Chief Inspectors, 2; Total, 756.

## XIII

J. B. DAVIDSON (witness for defendants):

*Improvement in I. H. Co. Binders.*

- 73 I was acquainted with the Plano binder prior to 1902 and know the present Plano. The binder made since 1902 has changed materially especially in tying mechanism. In my judgment, those changes have been improvements.
- 74 There have been changes in the Champion, Milwaukee, Deering and McCormick binders since 1902, and those changes are improvements. In my judgment the Plano, Champion and Milwaukee binders have been the most improved since 1902, and without any question more than either the Deering or McCormick. The binder was a practical, successful machine in 1902. These improvements have resulted in a simplification of the binder, made the draft of the binder lighter, easier to handle in the field and more durable and efficient in cutting and binding grain.

*Cross-Examination.*

- I have studied improvements in agricultural machinery in the past, as well as in the past ten years. There has been a marvelous development and great inventions in the last 50 or 60 years. Practically all the advance that has been made in the last several thousand years in agricultural machinery has been in the last 60 years. In the 50 years preceding the last 10, improvements were made in harvesting machinery. The binder with twine knoter which was invented in the early eighties was vastly improved from its original form down to 1902.

## IX

287 FOREST HENRY (witness for defendants):

*I. H. Co. Binders and Mowers Improved Decidedly Since 1902.*

I have lived at Dover, Minnesota, 56 years, and farmed on my own hook since I was 21. There is something over 500 acres in my farm. I raise grass, corn and small grains principally; and have necessary farm machinery. We have largely used Deering and McCormick binders and mowers for a great many years.

Since 1902 the binder and mower have been improved decidedly. The tongue truck attachment that guides the  
288 binder has improved it wonderfully. Previously we used

IX

from 4 to 6 horses on the 6-ft. machine; since that time we never put on but four on an 8-ft. machine; four can handle the 8-ft. machine as easily as 5 could previously handle a 6-ft. machine, on account of this device. We also feel that the binder in itself is more perfect than it was previous to this time.

*Cross-Examination.*

292 I am not as familiar with the binders made by the smaller companies, because I have not used them; I have not seen the Acme with the tongue truck; possibly they have one. I do not know that all binders nowadays have tongue trucks. In my town they did not handle the tongue truck in connection with the Acme. I am more familiar with the International because it is the line of goods I have handled and my neighbors are using them largely. We have used the Deering binder for many years before the I. H. Co. was organized; there were improvements before the I. H. Co.

293 It is not altogether because I became attached to the Deering binder that I am still using it; that is partly the reason. They have always treated me fairly; that is one reason I have stuck by them. The old Deering people treated me so. I had more trouble getting repairs for the old Deering than I have had of late. Our dealers handle a better line of extras now. I buy through the International's regular agents, not directly from the International. I have bought two binders from the same dealer; he has been in business there a great while; I have bought three machines from Johnson Bros. of St. Charles. My  
294 farm is over 500 acres. Don't know how many there are of that size in Minnesota; the average size is about 164 acres.

XIV.

ALEX LEGGE (witness for defendants):

*I. H. Co. Repairs, Expert Service and Facilities of Distribution.*

49 As to the repair and expert service by I. H. Co. and what has been done by it to make that service more effective: perhaps the principal gain was in the larger number of distributing points from which repairs could be obtained. The largest number of branch houses in the U.

## XIV

S. of any of the companies was the McCormick's, approximately 60 against which we have some ninety odd today, all carrying repairs for any of the goods manufactured by the company, bringing the repair stocks closer to the consumer. More adequate facilities have been provided to take care of them.

The expert service has been and is supplied where needed. On the binder line there is much less call for it than there was ten years ago, but we take care of such calls as there are more promptly than formerly because our branch houses are located closer to the consumers. We have experts on anything we make whenever needed. We feel we have a very much better force of men, for the reason that today we keep them busy practically all the year round.

- 50 As to whether the experimental work carried on by the I. H. Co. has been more expensive and elaborate than that theretofore maintained by the old companies; it has been more elaborate and more efficient than that carried on by the McCormick Co. We carry an equally efficient organization at all of the plants, but I cannot speak of the other plants prior to the International's day.

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## II.

PURCHASES OF ADDITIONAL PLANTS AND THE  
MANUFACTURE OF "NEW LINES."

## Reasons for entering in manufacture of "new lines."

## II

161 E. A. RUMELY (a witness for petitioner):

*The Tendency Toward the Long Line.*

The tendency to-day among manufacturers of agricultural implements is strongly toward the manufacture and distribution of a full line. There are conditions that urge every manufacturer in that direction. Every agricultural implement is salable at some particular season. In early spring the farmer needs the plow; a little later on he needs the harrow, then the seeder, then the harvester and then the thresher. Each implement is salable at or around the season when used. A full line is known technically as the dealing in enough implements to have something to sell at every season of the year,—a variety of products that will keep men busy, say the entire year.

*Adopted by Rumely Co. as a Business Policy.*

166 In order to manufacture cheaply we must manufacture in large quantities, and in order to sell in large quantities one must cover the entire market and have branch houses and a corps of traveling salesmen over a very wide area, probably the entire United States and Canada. To hold good salesmen you must keep them the entire year and you must also put up buildings or rent them for the entire year for branch houses. Then having secured an adequate market for one particular implement in order to use the idle time that results, you must add additional implements to fill in the other ten or eleven months that are slack for the particular implement on which you started. We found after recognizing this tendency as an underlying fact and shaping our business policy in accordance with it, that our business immediately expanded in volume and in profit.

ALEX LEGGE (witness for defendants):

42 The I. H. Co. has since its organization entered upon the construction of new lines.

*Advantages of the "Long Line."*

The advantages of the long line are the ability to secure and maintain a better selling organization and economize in distribution of the stock, often securing full carload orders in shipments to an agent who would not want a full carload of any one individual tool. The reason for going into the long line was to secure those advantages and to do away with the very great handicap which we always had in the binder business, of being compelled to employ a very large force of men for a short period of time. The harvesting machine business then, and to a less extent now, required a very large force of men during the delivery season and harvesting period. As soon as harvest was over they had to be dispensed with, and the following spring we would have to start in with raw recruits, and naturally the better class of men would not continue to come back to us for three or four months' employment, but would seek employment elsewhere. That made it impossible to maintain an efficient well trained organization.

*An All-Year-Round Selling Organization.*

The long line enabled the company to have what they call an all-year-round organization. Today they are employed practically continuously throughout the season; some slight fluctuation at different periods.

III

245-247 Pet.'s Ex. 198. Letter of April 19, 1904, from James Deering to A. E. Mayer asking Sales Department to report on the manufacture of gasoline engines, and Mayer's reply of April 20, 1904, stating Sales Department favors the development of gasoline engines, particularly small sizes:

"We feel that with the organization we have, a large business can be done; not only that, but it will readily appeal to you that placing a line of gasoline engines in the hands of our organization would be of great assistance in keeping together—or rather keeping employed by the year, our best salesmen."



## IV

*Kinds of Machines Manufactured by I. H. Co. in 1902.*

- 115 Kinds of agricultural machines and implements manufactured by the International Harvester Company of New Jersey, December 1, 1902. (Pet's Exh. 21.)

## Grain Machines:

Grain Binders, Reapers, Headers (Plain Type) and Header Binders (Now called Push Harvesters, Combined Type).

## Grass Machines:

Mowers, Rakes—Hand and Self Dump.

## Corn Machines:

Corn Binders, Huskers and Shredders and Shockers.

## Miscellaneous:

Knife Grinders.

## Attachments and Repair Parts:

Such as apply to Machines listed above.

## Binder Twine:

*Machines Added Since 1902.*

- 116 Statement of kinds of agricultural implements now manufactured by the I. H. Co. and not manufactured in 1902, showing year first manufactured. (Pet.'s Ex. 22.)

Grain Machines: Combined reaper and mower (or 2-Wheel reaper) 1907; strippers, 1904.

Grass Machines: Hay loaders 1906; hay presses and hay stackers 1904. Rakes: Side-delivery 1906, sweep 1904; rake and stacker (combined) 1911; rake and tedder (combined) 1911; tedder 1904.

Corn Machines: Pickers 1904; planters 1905; shellers 1906.

Tillage Implements: Cultivators 1905; harrows, disc, peg-tooth and spring-tooth 1905.

Seeding Machines: Broadcast seeders 1904; drills 1910.

Miscellaneous: Automobiles and auto-delivery wagons 1908; cream separators 1905; engines—gas, gasoline and kerosene 1905; feed grinders 1907; manure spreaders 1905; pumping jacks 1908; sawing outfits 1909.

Tractors: 1908; wagons and trucks (farm) 1906.

Attachments and repair parts: Such as apply to machines listed above.

## IV

*Goods Purchased from Outsiders for Resale.*

- 119 Goods sold by I. H. Co. of America, not purchased from I. H. Co. New Jersey (Pet.'s Exh. 25):

Alternators—3 phase. Automobiles, Auto Tops, Auto Bodies, Auto Foredoors, Auto Sparkers, Batteries, Belting, Blowers, Chain Silencers, Concrete Mixers, Drills, Electric Lighting Plants, Dynamos, Ensilage Cutters, Feeders for Threshers, Feed Mills, Gasoline, Gas Producers, Grain Dumps, Grain Elevators, Hay Presses, Harrows, Headlights for Tractors, Hoists, Hitches for Drills, Lubricators, Magnetos, Marine Engines, Oil, Pea Harvesters, Planters, Plows, Pulleys, Pumps & Cylinders, Pump Jacks, Rake Parts, Saws, Sawmills, Sawing Outfits, Saw Trucks, Seeders, Shafting, Shellers, Shingle Mills, Silos, Spraying outfits, Stackers for Threshers, Stalk Cutters, Steel Towers, Switchboards, Tanks, Threshers, Thresher Trucks, Tires (Rubber). Tractor Trucks, Twine, Wagons and Sleighs, Well Diggers, Well Drills, Weighers and Loaders, Woodworking Machinery.

## III

*Machines Manufactured at Various Plants.*

- 348 Manufacturing plants of I. H. Co. in the U. S. and Principal Machines manufactured at each plant, season 1912 (Pet.'s Exh. 230):

Akron Works, Akron, Ohio:

Auto Wagons.

Champion Works, Springfield, Ohio:

Grain Binders, Reapers, Headers and Push Binders, Mowers, Rakes, Rakes—Side Delivery, Tedders, Hay Presses, Seeders, Manure Spreaders, Knife Grinders.

- 349 Deering Works, Chicago, Ill.:

Grain Binders, Reapers, Headers and Push Binders, Grain Strippers, Mowers, Rakes, Corn Binders, Shredders, Corn Pickers, Grain Drills, Knife Grinders, Feed Grinders, Twine.

Keystone Works, Rock Falls, Ill.:

Rakes—Side Delivery, Hay Loaders, Corn Shellers, Harrows—Disc, Harrows—Peg Tooth, Alfalfa Renovators.

McCormick Works, Chicago, Ill.:

Grain Binders, Reapers, Headers and Push Binders, Mowers, Rakes, Sweep Rakes, Hay Stackers, Combined

## III

Sweep Rakes & Stackers, Corn Binders, Shredders, Corn Pickers, Ensilage Cutters, Knife Grinders, Twine.

Milwaukee Works, Milwaukee, Wisconsin:

Engines—Gasoline and Kerosene, Tractors, Cream Separators, Pump Jacks, Saw Trucks.

Newark Valley Works, Newark Valley, New York:

Manure Spreaders.

350 Osborne Works, Auburn, New York:

Grain Binders, Reapers, Mowers, Rakes, Tedders, Corn Binders, Stalk Cutters, Cultivators, Harrows—Disc Harrows—Spring Tooth Harrows—Peg Tooth, Twine.

Plano Works, West Pullman, Ill.:

Manure Spreaders, Farm Wagons, Farm Trucks, Corn Planters, Cultivators.

Tractor Works, Chicago, Ill.:

Engines—Gasoline and Kerosene Tractors.

Weber Works, Auburn Park, Ill.:

Farm Wagons, Farm Trucks.

St. Paul Works, St. Paul, Minn.:

Twine.

## XIV

[12 Mr. Reay: Defts'. Ex. 206 shows the various kinds of machines manufactured at each of the I. H. Co.'s U. S. Works and new lines added at each plant from 1903 to 1912, and shows also all transfer of harvester lines between Works.

*Readjustments to Attain Efficiency and Economy.*

As to whether it shows when certain Works quit manufacturing certain things and that the Milwaukee Works is no longer making the Milwaukee binders: On page 3, it shows that during 1905 the Milwaukee Harvester lines were transferred to the McCormick Works, and lines of engines, tractors, and cream separators substituted in place thereof at the Milwaukee Works. We do not purport to show by this exhibit the lines we have discontinued making since the acquisition of the Minnie, the Keystone and the Buckeye at these different Works. As to the principal transfers and readjustments of manufacturing: In order to attain greater efficiency and economy in production, the old harvester lines manufactured at the Milwaukee Works were transferred to the McCormick Works, and the old harvester lines manufactured at the Plano Works were transferred to the Deering Works.

## XIV

*No Plant Shut Down—Increased Employees at Each.*

113 Defts.' Exh. 207 correctly states the average number of employees at the U. S. Works of the Champion, Deering, McCormick, Milwaukee, Osborne and Plano companies in 1902 as compared with those employed at U. S. Works of

114 I. H. Co. in 1912. In 1902 the total number of employees employed at the Works stated were 16,596; in 1912 was 25,163. No plant acquired by the I. H. Co. has shut down to my knowledge. The number of employees has increased at every plant, and the total percentage of increase of employees in 1912 over 1902 is 51.6. "The number of employees at Plano Works in 1912 was low owing to the depression in the manure spreader industry. The average number employed in 1911 was 1,145, and in 1913 to date 1,169."

115 Defts'. Ex. 207—Average number of employees at United States Works. Seasons 1902 and 1912:

| Works                                  | 1912                                 |                                      | Total  | 1902   | Increase<br>over<br>1902 |
|----------------------------------------|--------------------------------------|--------------------------------------|--------|--------|--------------------------|
|                                        | Number<br>Working<br>on Old<br>Lines | Number<br>Working<br>on New<br>Lines |        |        |                          |
| Akron                                  | —                                    | 921                                  | 921    | 20     | 901                      |
| Champion                               | 592                                  | 785                                  | 1,377  | 1,296  | 81                       |
| Deering                                | 5,745                                | 313                                  | 6,058  | 5,488  | 570                      |
| Keystone                               | —                                    | 305                                  | 305    | 200    | 105                      |
| McCormick (Including<br>Tractor Works) | 7,423                                | 1,248                                | 8,671  | 6,236  | 2,435                    |
| Milwaukee                              | —                                    | 3,884                                | 3,884  | 596    | 3,288                    |
| Newark Valley                          | —                                    | 71                                   | 71     | —      | 71                       |
| Osborne                                | 1,477                                | 854                                  | 2,331  | 1,400  | 931                      |
| Plano                                  | —                                    | 795                                  | 795    | 995    | *200                     |
| St. Paul                               | 160                                  | —                                    | 160    | 15     | 145                      |
| Weber                                  | —                                    | 590                                  | 590    | 350    | 240                      |
|                                        | 15,397                               | 9,766                                | 25,163 | 16,596 | 8,567                    |

Percentage of Increase 51.6%

(\*) Decrease at Plano due to depression in manure spreader industry, employees in 1911, 1,145; in 1913, 1,169.

## XIV

*Increased Steadiness of Employment Throughout the Year.*

Defts'. Ex. 208 shows the number of employes at the Champion, Deering, McCormick, Milwaukee and Plano Works during each month of the seasons 1902 and 1912.

- 117 Chart marked Defts' Exh. 209 represents the continuity of employment at the principal U. S. Works for 1902 and 1912, based upon Defts' Exh. 208, and shows that in 1902 the difference between the maximum and minimum number of employes at these Works was 24 per cent.; in 1912 it was only 7 per cent.

## III

*Number and Kinds of Implements Manufactured.*

- 447 Table showing the kind and number of implements made by the I. H. Co. from 1903 to 1911, inclusive, at the U. S. Works (Pet.'s Exh. 262):

PETITIONER'S EXHIBIT 262 (IV-266), KIND AND NUMBER OF IM-  
PLEMENTS MANUFACTURED BY I. H. CO., SEASONS 1903 TO 1911,  
AT U. S. WORKS.

|                                          | 1903    | 1904    | 1905    | 1906    | 1907    | 1908    | 1909    | 1910    | 1911    | 1912    |
|------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Grain Machines:</b>                   |         |         |         |         |         |         |         |         |         |         |
| Binders                                  | 184,817 | 87,371  | 102,832 | 108,666 | 117,854 | 104,547 | 100,204 | 125,382 | 146,981 | 161,365 |
| Reapers                                  | 40,396  | 45,685  | 37,365  | 39,458  | 52,262  | 43,425  | 43,971  | 42,176  | 63,864  | 66,340  |
| Reapers—Two Wheel                        | —       | —       | 14      | 25      | 1,070   | 571     | 1,009   | 617     | 248     | 249     |
| Headers and Push Binders                 | 5,989   | 7,181   | 11,024  | 9,542   | 11,914  | 12,720  | 10,800  | 13,993  | 9,574   | 16,231  |
| Strippers                                | —       | 136     | 717     | 1,115   | 800     | 453     | 151     | 928     | 1,099   | 980     |
| <b>Grass Machines:</b>                   |         |         |         |         |         |         |         |         |         |         |
| Mowers                                   | 318,505 | 221,186 | 250,677 | 213,269 | 200,704 | 276,349 | 279,589 | 250,526 | 241,283 | 200,189 |
| Rakes                                    | 239,406 | 105,838 | 123,194 | 131,403 | 158,418 | 161,959 | 159,010 | 159,226 | 142,990 | 120,911 |
| Rakes—Side Delivery                      | —       | —       | —       | 4,551   | 6,066   | 10,112  | 10,755  | 10,102  | 9,433   | 8,274   |
| Hay Loaders                              | —       | —       | —       | 6,138   | 7,444   | 8,898   | 7,217   | 8,737   | 11,258  | 7,937   |
| Tedders                                  | 9,167   | 18,815  | 31,153  | 31,459  | 18,754  | 21,186  | 25,184  | 16,251  | 15,419  | 4,128   |
| Sweep Rakes                              | —       | 1,829   | 11,975  | 7,102   | 9,998   | 13,065  | 17,231  | 23,001  | 11,823  | 3,199   |
| Hay Stackers                             | —       | 501     | 4,055   | 1,813   | 3,411   | 3,960   | 4,169   | 4,707   | 1,824   | 1,251   |
| <b>Combined Sweep Rakes and Stackers</b> |         |         |         |         |         |         |         |         |         |         |
| Stackers                                 | —       | —       | —       | —       | —       | —       | —       | —       | —       | 181     |
| Hay Presses                              | —       | 46      | 2,638   | 3,098   | 2,516   | 3,087   | 3,019   | 4,315   | 6,277   | 7,373   |
| <b>Corn Machines:</b>                    |         |         |         |         |         |         |         |         |         |         |
| Binders                                  | 20,971  | 4,833   | 3,931   | 7,950   | 12,472  | 16,980  | 14,874  | 19,031  | 43,737  | 30,654  |
| Shredders                                | 2,678   | 167     | 371     | 220     | 777     | 972     | 691     | 1,115   | 1,739   | 2,382   |
| Shockers                                 | 2,315   | 441     | 694     | 658     | 778     | 178     | —       | —       | 184     | —       |
| Huskers                                  | —       | —       | —       | 2       | —       | 4       | 5       | —       | —       | —       |
| Pickers                                  | —       | 211     | 154     | 34      | 149     | 1,128   | 769     | 50      | 1,096   | 479     |
| Shellers                                 | —       | —       | —       | 2,829   | 9,890   | 6,411   | 5,883   | 8,517   | 10,216  | 16,897  |
| Planters                                 | —       | —       | 15      | 1,562   | 1,471   | 753     | 1,857   | 2,046   | 2,063   | 2,821   |
| Earlage Cutters                          | —       | —       | —       | —       | —       | —       | —       | —       | —       | 19      |
| Stalk Cutters                            | —       | —       | —       | —       | —       | —       | —       | —       | —       | 92      |
| <b>Tillage implements:</b>               |         |         |         |         |         |         |         |         |         |         |
| Cultivators                              | 11,122  | 8,851   | 25,022  | 26,183  | 29,304  | 16,280  | 50,180  | 65,601  | 42,629  | 46,211  |
| Harrow—Disc and Spring                   | —       | —       | —       | —       | —       | —       | —       | —       | —       | —       |
| Tools                                    | 10,791  | 11,302  | 74,374  | 73,645  | 71,724  | 60,040  | 105,379 | 154,153 | 131,521 | 154,487 |
| Harrow—Peg Tooth                         | 38,594  | 50,729  | 41,695  | 38,575  | 41,899  | 44,071  | 76,470  | 99,720  | 100,419 | 92,857  |



## III

449 W. M. REAY:

Pet.'s Exh. 262 does not include the articles we have purchased from other companies. The sales figures include everything that is sold, of those machines.

I do not think there is any company besides the Keller from which we purchase wagons for sale in the U. S. The figures of the sales of Keller wagons should be added to these wagon figures.

450 Number of wagons purchased by I. H. Co. of America from Keller Manufacturing Company during calendar years 1909, 1910 and 1911 (Pet.'s Exh. 264): 1909, 4,520; 1910, 7,543; 1911, 8,345. This includes wagons sold outside of the U. S.

Statement showing number of threshers purchased by I. H. Co. of America from Belle City Manufacturing Co. 1907 to 1911, inclusive (Pet.'s Exh. 265): 1907, 458; 1908, 597; 1909, 621; 1910, 249; 1911, 266. This covers from September 1 to August 31 in each year, and includes threshers sold outside of the U. S.

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23 CLARENCE S. FUNK:

The America Co. sells goods not manufactured by the I. H. Co., but this represents a small percentage of its business. It sells Belle City threshers manufactured at Racine, Wis., twine not manufactured by the I. H. Co., and its different agents throughout the country have contracts with local manufacturers who make goods particularly suitable to local conditions. There is a good deal of it—how much, I do not know.

The America Co. sells nothing but agricultural implements. The implement dealers in the U. S. who sold International goods in 1910 numbered 40,000; the number is less now. In 1902 I would say that the number of implement dealers of the old companies was 45,000 to 50,000.

31 The America Co. buys the entire output of the Belle City Co. and practically the entire output of seeders of the Richmond plant of the American Seeding Machine Co. It also buys two lines of plows—from the Oliver Co. and Parlin & Orendorff Co., Canton, Ill. Practically all these plows are sold in Canada.



## XIII

**Purchase of D. M. Osborne & Company.**

GEORGE W. PERKINS:

- 221 I had to do with the negotiations for the purchase of the Osborne Company.

*Motive for Purchase—New Lines and Export Trade.*

The motive governing the purchase was that it fitted into the program of supplying the International Company with other lines of business and was a desirable addition from the standpoint of some foreign export business that it had. The factory was advantageously located for export purposes.

## XIV

ALEX LEGGE:

- 41 As to the value of the Osborne plant to the I. H. Co.: that part of it with which I am most familiar was the acquiring of a line of tillage tools, which we did not have, comprising harrows of all kinds, cultivators.

*Cross-Examination.*

- 71 I had nothing to do with the Osborne purchase; was not a party to the negotiations. As to whether it was the largest harvester company outside of the I. H. Co., at that time: I think not, in the United State trade; I believe it was the largest American company in the foreign field in volume. The Acme had been doing more business in the U. S. than the Osborne, but I think in 1903 they were suffering from financial embarrassment and did not do as much that year. I am not sure but what it was after that that the Creditors' Committee took charge of the Acme.

- I cannot say positively the Acme had more business than the Osborne in the U. S. in 1903. From the standpoint of harvesting machinery they would have been more valuable to us than the Osborne. The plant was better located for the distribution of harvesting machinery in the domestic trade. I can name no other company than
- 72 the Acme that had a larger output than the Osborne.

## IV

*Agreement for Purchase. Osborne Property Purchased Without Receivables. Osborne Stock Deposited as Collateral for I. H. Co.'s Notes.*

142-150 AGREEMENT (Pet.'s Exh. 28A) made January 15th, 1903, between Thomas M. Osborne and Edwin D. Metcalf, "vendors," and I. H. Co., "vendee."

Vendors to sell all capital stock and scrip of D. M. Osborne & Co., and of Columbian Cordage Co., engaged in manufacturing twine and rope, and to deliver certificates to Standard Trust Company as trustee; such Osborne stock and scrip to be held as collateral security for the 5 year notes of International Co. to be delivered to vendors. Vendee to deposit with First National Bank \$1,000,000 to be paid as soon as vendors have deposited 95 per cent. of said stock. The total purchase price is fixed at \$3,200,000 and actual cost of the supplies, materials on hand, manufactured products and goods in process, to be paid: \$1,000,000 in cash, \$3,500,000 in notes bearing 5% interest due on or before Jan. 15, 1908, and the balance in notes due on or before Nov. 1, 1903.

Vendors shall be entitled to cause companies to transfer to them and exclude from sale: All cash accounts, claims and bills receivable of the two companies as of Jan. 15, 1903, except as hereinafter provided; and other specified property.

Vendors agree that when \$1,000,000 is paid, they will procure resignations of directors and officers and secure the election of persons designated by the I. H. Co.

Vendors to assume all liabilities of the Auburn Companies as of Jan. 15, 1903, and to deposit \$1,000,000 of notes of the vendee with the First National Bank of New York to secure said guarantee.

I. H. Co. shall cause the Auburn Companies to attend to the collection of said receivables under the direction of persons designated by the vendors, and Auburn Companies shall be reimbursed for the actual cost of making such collection. Collections on accounts receivable to be applied in payment of the Company's liabilities assumed by the vendors.

Vendors agree that from and after date hereof, the business of the Osborne Companies shall be managed by the present directors and officers of the Auburn Companies (so long as they shall remain in control of said

## IV

business) without any departure from the ordinary course of business, and in consultation with the officers of the International Company. The I. H. Co. agrees to keep said plants in operation to their reasonable capacity and without diversion of business from said factories, so long as its unpaid notes given for the purchase price shall exceed \$3,000,000.

Vendors for ten years not to engage in manufacturing or selling harvesting machinery and other agricultural implements and binder twine in U. S. (excepting Arizona and New Mexico) or in Australia or South America, or any European countries (excepting Holland and Belgium).

150-174 Ten documents relating to the purchase of the Osborne plant and the performance of the above contract. (Pet.'s Exh. 28B to 28K.)

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360 THOMAS M. OSBORNE (witness for petitioner):

I reside in Auburn, N. Y., and was in the harvester business there with D. M. Osborne & Co. Its business was the manufacture of harvesters, binders, reapers, hay rakes and corn harvesters. We sold those implements generally throughout the U. S. We did a large foreign business in Europe, South America and Australia.

361 Prior to 1902, the two largest companies were the McCormick and Deering; our company ranked third; then the Champion, Plano, Walter A. Wood, Johnston, Milwaukee, Adriance-Platt and Aultman & Miller. I became connected with D. M. Osborne & Co. in 1884 and was in  
62 the business until 1902. According to my best judgment the Deering, McCormick, Champion, Plano, Milwaukee and Osborne Companies did 90% or over of the business in harvesting implements.

The business of the Osborne Company from 1892 to 1902 has been increasingly profitable. There were 300,000 of stock and some scrip, which brought the total stock and scrip to 950,000.

*Majority of Osborne Stockholder Desired to Sell.*

I have never owned any stock or had any interest in the I. H. Co. We learned through the newspapers in the summer of 1902, that the I. H. Co. had been formed; that was the first we heard of it. We had no part in forma-

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363 tion. The business of Osborne & Co. at that time was owned by my mother, two sisters and myself, and some stock was held by my uncle, John H. Osborne, and by E. D. Metcalf, Vice President and General Manager, and there were some smaller stockholders. The majority was owned by my mother and two sisters, and they naturally would have been glad of an opportunity to sell out and retire their money from the uncertainties of a manufacturing business. Therefore, Metcalf negotiated with some persons interested in the I. H. Co. for a sale. I took no part because I was not desirous of selling, although I did not consider that I should prevent a sale.

In January, 1903, the sale was arranged. At one time I saw Charles Deering and Cyrus McCormick at the Waldorf Hotel and I saw Perkins at the office of Morgan & Co. When I saw Deering and McCormick, the sale had not been arranged. When I saw Perkins the arrangements had been practically made.

Osborne & Co. had not manufactured twine; there was another corporation, the Columbian Cordage Co., with many of the same stockholders. The sale of the twine business of the Columbian Cordage Co. was negotiated at the same time as the sale of Osborne & Co.'s business.

364 Manufacturers sell twine and harvesting implements largely. In 1902 both the Deering and McCormick Companies besides the Osborne manufactured and sold twine. We had an organization all over the U. S. and sold machines wherever cereal and hay crops were raised. We had branch houses throughout the U. S. and sometimes shipped from our factories to the warehouses and in other cases shipped directly to the agents. We sold on the commission agency basis.

*Osborne Owners Acquired No Stock in I. H. Co.*

The owners of Osborne & Co. did not take any stock in the I. H. Co. for their property. They received some notes with the stock of Osborne & Co. as collateral in the first instance; that continued until the management of Metcalf and myself terminated. Then the collateral was changed to farmers' notes belonging to the International. \$3,200,000 was paid for the plant and we received payment also for all the machines on hand and all the goods in process of manufacture; it amounted to about \$6,000,000. Our business was increasing in 1902.

*Majority Osborne Stockholders Women, Anxious to Sell.*

My mother, my two sisters and myself owned about four-fifths of the Osborne stock; my mother and two sisters owned about three-fourths of the four-fifths. They took no active part in the management. My mother lived in Auburn; my sisters, Mrs. Harris, in Springfield, Mass., and Mrs. Storrow, in Boston.

These ladies desired to withdraw their capital from a manufacturing enterprise; they had desired to do this prior to August, 1902. They were endorsers on paper amounting sometimes to from \$2,000,000 to \$4,000,000. After the organization of the International, we thought we saw a chance to do what the ladies owning the company would have been glad to do for some time previously. Individually I did not desire to sell, but I thought they had the prior right to be considered. I did not have any fear of successfully carrying on our business after the I. H. Co. was organized.

In the I. H. Co. we saw a corporation large enough to be a prospective purchaser, and in pursuance of the desire that had long existed, negotiations were opened in August, 1902. The negotiations were broken off twice between then and January, 1903. The offer which we made was not accepted. My recollection is Metcalf made two proposals, neither of which was accepted, and when those offers were declined, we terminated the negotiations for the time being. The arrangements were consummated in 1903 but the management continued with Mr. Metcalf and myself during 1903 and 1904.

*Terms of Sale.*

The International paid \$1,000,000 in cash and the rest in notes secured by our stock as collateral. Our company had bills receivable, aggregating a great deal of money. We offered them to the International but they refused to buy them; so the accounts remained our property. For two years the security for the deferred payments was represented by their notes and by our stock. The management of Osborne & Company continued as it was from January, 1903, to December, 1904, and until farmers' notes of the I. H. Co. were substituted for our stock as collateral. It was then taken over by the International.

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*About One-third of Osborne Business Foreign.*

When I testified as to the percentage of business done by the companies acquired by the I. H. Co., it was mere guesswork. My recollection is that about one-third of our business was done outside the U. S.

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*Re-direct Examination.**Osborne Foreign Business Larger Than McCormick.*

My judgment is that our foreign business was relatively larger than the McCormick's, though I should imagine that that company's total foreign business was somewhat larger than ours. I do not think that Deering's foreign business was as large as ours.

*Capital Requirements of Harvester Trade.*

In the harvester business, credit is very important. There is a manufacturing season during which we borrow large amounts and a selling season at the end of which we get back only a part of our money, because the machines are sold on installments running two, three and four years. The larger the business was the more money was necessary to conduct it. As our business grew, it became necessary, therefore, for the other owners I spoke of to endorse notes in larger amounts, and that was one  
369 of the reasons they wished to sell out.

My recollection is that the surplus we had made since 1890 was between \$2,000,000 and \$3,000,000.

JAMES J. STORROW (witness for petitioner):

*Negotiations for Osborne Sale.*

I am a partner in Lee, Higginson & Co., Bankers. My wife, a daughter of D. M. Osborne, was a substantial owner in Osborne & Co. I had a share in the negotiations resulting in its sale to the I. H. Co. The more intimate  
370 part I took began late in December, 1902, or early in January, 1903. Col. Metcalf came to see me in Boston. I knew he had been trying to negotiate a sale. He informed me that all negotiations had been broken off. I knew G. W. Perkins slightly and called him on the telephone, my purpose being to resume negotiations. I do not remember exactly what was said, but the result was that Col. Metcalf and I went to New York and the nego-

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tiations were renewed and lasted perhaps a fortnight. I was dealing with Perkins, though I believe in the course of these interviews one of the McCormicks was present for a short time. I spent a good many hours in Perkins' office and the result was an agreement for the purchase of the company, dated Jan. 15, 1903. I do not remember whether we got the amount Metcalf suggested—presumably not.

371 EDWIN D. METCALF (witness for petitioner):

I was Treasurer and General Manager and afterwards Vice President and General Manager of D. M. Osborne & Co., Auburn, N. Y., from 1890 to December, 1904. From then until January, 1906, I acted as General Manager of the plant after the I. H. Co. took possession.

I had supervision over every department of the business. It was doing business all over the U. S., Europe, South America and in Asia and Africa. The business had become increasingly profitable during those years. I think 1901 and 1902 were more profitable than others. We all suffered those days with competition. The profits  
372 were satisfactory to a certain extent. Prior to August, 1902, the McCormick and Deering were the two largest, ours third, then the Champion, Wood, Plano, Aultman & Miller, Johnston and Adriance-Platt. The Massey-Harris Co. was doing business in Canada and Hornsby & Co. in England.

In 1902 the surplus of the Osborne Co. was about  
373 \$3,000,000; the bulk of it accumulated while I was manager.

*Osborne Owners Opened Negotiations.*

I had no part in the formation of the I. H. Co. and was neither consulted directly nor indirectly. I learned of its formation from the public press. Upon reading of it, knowing how the majority of our stockholders felt, I came to New York to see if I could find a purchaser for our company through the medium of this new company. I saw Norman B. Ream, formerly an agent of Osborne & Co., and asked him to put me in touch with the powers that be; and he introduced me to Perkins. Perkins said  
374 they did not wish to take in more companies but would consider the matter. I went home and did not hear from

him for some time. Then I came back to New York to see what answer he had and he said they had decided they did not care for the Osborne Co.

As soon as I could arrange I went to Chicago and saw Charles Deering, and while we were discussing the proposal I had previously made to Mr. Perkins, Harold F. McCormick came in. I told them the advantage of their having our foreign business and our tillage tools. They said they did not believe they cared to talk any further about it. I had asked for the plants of the Columbian Cordage Co. and Osborne & Co. \$5,000,000 and in addition whatever our inventory showed in the shape of machines, extras, etc., and whatever our bills receivable would show. I remained in Chicago for three or four days but they politely bowed me out of the door and said they did not care to negotiate for the Osborne business.

*Proposition at First Declined.*

Then I came back to see Perkins and arranged an interview between all the parties; and Cyrus McCormick, Charles Deering, possibly Howe, Perkins, Osborne, Storrow (perhaps) and Harris and myself met at the Waldorf. 375 Mr. McCormick, Mr. Deering and Mr. Perkins talked to us for some time and finally went out of the room and later came back and told us they did not care to negotiate for the Osborne property. I tried at this interview to get a counter-proposition from them, but they declined.

At that time the manufacturing season had already commenced and our indebtedness increased as we proceeded to manufacture. Our largest receipts are in the fall and sometimes one balances the other, but as soon as those receipts are in the indebtedness begins to jump very fast. In January it became necessary for us to have money. I went to Boston to see Storrow, who was anxious to sell on his wife's account, and told him we had to have more money and asked him if he would arrange to sell some bills of exchange in London or make some arrangement so we could increase our capital stock. He said he would like to talk to Perkins again and would call him up over the 'phone, which he did. As a result, he and I took a train that night for New York.

We always have to expand our credit in January, February, March and April. At that time we had borrowed 376 at the First National Bank of New York, The Park Na-



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tional Bank and The Importers' and Traders', The First National Bank of Chicago, The Boatmen Bank of St. Louis and The Bank of California up to our limit. Our largest loans were from the First National of Chicago, the First National of New York and the Boatmen of St. Louis.

*Negotiations Reopened.*

We came to New York and Mr. Storrow went first to Mr. Perkins and opened up the subject of selling to the I. H. Co. I was later called into the negotiations. We had had an inventory made by the American Appraisal Co. just about that time and were satisfied that the price I had said was a little larger than the inventory justified; so owing to the desire of the majority of our stockholders to sell, we were willing to make some concessions. I cannot go through the details because the negotiations occupied several days.

*International Would Not Purchase Osborne Receivables.*

We finally made the proposition of \$3,200,000 for our property, the purchaser to take all our quick assets in the form of machines in the process of  
 377 manufacture, machines on sale throughout the world and everything, except our bills receivable and bills payable. We tried to sell them these but they would not consider it. Mr. Osborne and I borrowed a large amount of money on our own names to carry along our bills payable during that period and after we had contracted with the I. H. Co. At that time our bills receivable were approximately \$3,000,000. Our bills payable were nearer \$4,000,000, because the stock coming into the factories and the bills receivable had not matured.

*I. H. Co.'s Notes Secured Only By Osborne Stock.*

When we got into details Perkins said they did not want the plant even at a bargain and that we should help finance it if they took it over. He wanted to give us notes entirely. We insisted on having a substantial payment to start with. The result was they paid us \$1,000,000 in cash and gave us notes for \$3,500,000 secured by our own stock as collateral. We objected to the collateral but finally accepted it. We insisted we should have absolute control of the Osborne and Columbian companies until we collected our bills receivable and until they gave us different

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378 collateral for their notes. Our foreign accounts were probably one-third of our bills receivable. Storrow, Perkins and I alone discussed these negotiations in January, 1903.

*The Twine Plan of the Columbian Co.*

I started the twine business for Osborne & Co. through the Columbian Co. I have always considered it desirable for a manufacturer of harvesters also to sell twine because his twine will generally work better than that made by an independent manufacturer. We had lots of difficulty in getting into the twine business. We could not buy machinery, because John Good, the patentee of twine  
379 machinery, had made arrangements to supply others up to his capacity. In 1891 the Columbian Co. was started from drawings made by a draughtsman in the Watson Machine Co. The twine business was profitable after we got manufacturing.

After the negotiations with the I. H. Co., all the stock of both the Columbian and Osborne companies was transferred to Mr. Osborne and myself. We were the two active officers and covenanted not to engage further in the harvesting business.

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*Cross-Examination.*

*Desire to Sell Not Due to Fear of International.*

The majority of the Osborne stock was owned by Mrs. Osborne and her daughters; they were endorsers on all the Osborne Co. paper. This condition existed in 1890 and I believe since their father's death. The desire to sell the business was made known to me when I first went there in 1890. I used to live in Springfield, Mass. Mr. Harris was one of my neighbors. He married Mrs. Osborne's daughter, and he wanted me, when I went to Auburn, to see if something could not be done to sell that plant.

When I saw in the newspapers in Aug., 1902, that the I. H. Co. had been organized, my impulse to try to sell was not the result of any fear that that company would crush the business prospects of Osborne & Co. We opened  
381 up the negotiations naming \$5,000,000 as a price for things we afterward sold for \$3,200,000. The first negotiations in August ended with a refusal to buy. The second was

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in Chicago in Sept.; the third, I think in Oct. at the Waldorf. Then we gave up all hope of being able to sell. The negotiations began again with my talk with Storrow.

*Osborne Co.'s Credit Not Affected by Formation of I. H. Co.*

After the first negotiation was turned down, I continued the business of Osborne & Co. just as if I had never heard of the International. I went to see the officers of all the leading banks where we had large lines of credit and asked them if we would be affected in any way by the I. H. Co., and I was assured that they would extend to us the same credit we had been having in the past. They never declined in a single instance to give us all the credit we asked. These arrangements went on in 1902 exactly as before, except we made special arrangements that year because we wanted to be sure where we stood. We got  
382 the assurances and the assurances were made good. Nothing occurred in the transaction of the harvester business from Aug., 1902, to the end of the year that showed any intention or purpose on the part of the International to oppress Osborne & Co. There was nothing in the conduct of the business that year which acted as an incentive to the opening up of the negotiations in Jan., 1903. The incentive was the pressure on the part of the ladies in our company to be relieved of their responsibility growing out of their endorsements and to get out of the manufacturing business. They were endorsers all the way from \$2,000,000 to \$4,000,000 or \$5,000,000.

*No Payment for Patents or Good Will.*

The Harvester Company did not pay us anything for fifty years of good-will or for our patents or for lots of things I think they should have. I was compelled to drive the best bargain I could because of the pressure back of me on the part of the ladies. Mr. Osborne did not want to sell, and if it had come to an issue, I would have stood by him.

*Osborne Owners Insisted on Controlling Business 'Till Receivables Collected and Different Collateral Furnished.*

383 I tried very hard to have Perkins buy our receivables which amounted to \$3,000,000. These receivables ran from the price of a harrow, which was \$10, upwards. The I. H. Co. refused to buy them or to assume the obliga-

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tions of Osborne & Co., and finally we took the notes of the I. H. Co. secured only by the stock of our own companies as collateral. But we insisted we should have the control of our business until they made those notes good by different collateral and gave us an opportunity to collect the larger part of our bills receivable. We insisted positively that not only should we have the management of the business but that the public should not be advised of the purchase. When I say the public I mean our own men. None of our travelers, none of our office men, outside of the Treasurer and Secretary probably, knew anything about this contract of sale.

*Reasons for Osborne Owners Insisting that Sale Be Not Announced.*

Our reasons for insisting that we should have  
 384 the management of the business while this condition lasted and that the sale should be kept secret, were several. One was that if it had been publicly known we would have lost tremendously on our bills receivable. The results are the best indication of this. In the two years we managed the business, we collected about \$2,400,000 out of \$3,000,000, and during the seven years since we have not been able to collect \$200,000. Farmers simply will not pay to a concern that is in liquidation. The bills receivable were in small amounts all over the world. Had this sale been known it would have resulted in great loss to Osborne & Company, due to the fact that the farmers then would have known that we were out of the business.

*Wholly at Insistence of Osborne Owners.*

I doubt if we should have made the sale unless we could have absolutely controlled the situation until we had a chance to collect those debts, and until they gave us better collateral than our own stock. The secrecy involved was upon our insistence. Had they bought our bills receivable and given us different collateral, we would not have  
 385 insisted. This sale was kept from the public solely at our request. The Harvester Co. questioned it. Perkins did not want to concede it but I insisted upon it, and we were several days going over that and other questions. Perkins finally consented. He was the only one we dealt with.

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*The Fact of Sale Kept from Employees.*

After we made this contract in January, 1903, I went on with the management of Osborne & Co. and the sale was kept from our own employees. I recall the fact that advertisements were inserted in trade journals between January, 1903, and December, 1904, where the Osborne Co. was represented as under independent management and not owned by the International. We had an advertising agent who knew nothing about the sale. He was acting under my instructions to conduct his department just as he had before and this was true of every department of  
 386 Osborne & Company. We had two objects in those advertisements. One was to collect our bills receivable and the other was so that under no circumstances should the business of Osborne & Co. be lessened by the contract of sale. If we had to take the stock back for any reason, we wanted our business in good shape.

*No Directions from International Co.*

We never got from the I. H. Co. any directions with reference to those advertisements. We never consulted them as to what we should do. We went on just the same in the conduct of the business as though we had never heard of the I. H. Co. and as though they were our biggest competitors.

*New Collateral Substituted Followed by Public Announcement.*

In Dec., 1904, there was substituted for the stock of Osborne & Co. and the Columbian Cordage Co., farmers' notes, and by that time we had collected over \$2,000,000 of the receivables. Then it was announced that we had transferred our interest to the International. I was then appointed General Manager for the Osborne Works of the International and conducted the business there for over  
 387 a year as a department of that company. This was done openly and the name of the company was put on our machines and on our offices.

The bills receivable acquired from Jan., 1903, to Dec., 1904, we kept in our possession until after the exchange of collateral. They were then transferred to the I. H. Co. after the sale was made public. The Columbia Co. had few receivables.

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*Foreign Business of Osborne.*

The foreign business of Osborne & Co. was represented by our employes in all the great countries. We had at that time the best line of tillage implements in the world. We were the first harvester concern in the U. S. to build tillage implements. We were introducing these implements into our foreign business. Our foreign business had grown from \$20,000 the first year I went with Osborne & Co. up to \$2,000,000 in 1902.

*Osborne Products Gave International Many New Lines.*

Osborne & Co. made many tools that the I. H. Co. did not. We had a large line of peg-tooth harrows, spring-tooth harrows, disk harrows and tedders. These tillage tools were growing in popularity in this country and abroad. In 1902 we made 19,545 peg-tooth harrows; in 1905, 38,670. In 1902 we made 24,770 spring tooth harrows; in 1905 32,557. In 1902 we made 9,830 disk harrows, in 1905 32,736. In 1902 we made 9,462 cultivators; in 1905, 23,804.

*Re-direct Examination.*

I tried to get Perkins to take our bills receivable and he refused. I told him we should have to have control of our business until we collected. We discussed the point several times, he objecting to our having absolute control for a period sufficient for us to collect those notes, we insisting it was either that or they buy them. That would have made \$3,000,000 more which they would have had to pay in cash. Had he bought those bills receivable, and had he given us good collateral for our notes, it would not have been necessary for us to advertise as independent. In Dec., 1904, we received a 20 per cent. margin of their farmers' notes for the \$3,500,000 notes of the I. H. Co. Until this we had no security for such notes except the stock and scrip in our own company.

When we were operating Osborne & Co. from Jan., 1903, to Dec., 1904, it was held out as an independent organization and our business was managed in respect to competitors and the trade exactly as before. It was not used to make a special fight on Adriance-Platt & Co., or any other company not connected with the International. We used every argument possible to induce the I. H. Co. to

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purchase, one of the strongest being that we were making lines of goods they were not making and that such lines were profitable.

*Osborne Financial Arrangements for 1903.*

We arranged for the usual amount of credit for 1903 immediately after the formation of the I. H. Co. and after they had refused to buy our plant. After the refusal in October, we continued our plans to carry on our business independently giving up the thought of the sale. When I went to see Storrow practically all credit immediately  
 392 available and for which arrangements had been made was exhausted; we discussed the situation. Our credit was not exhausted, it was only exhausted in certain channels. We had used up our full line with the First National of New York, with the Importers' and Traders' and I think with the First National of Chicago. I did not ask the last named bank for further credit; it was not necessary. A large part of our paper was put out through note-brokers. That was why I went to see these old line banks. I knew that other banks who were buying our paper would feel the same as they might, and I wanted to know whether they felt that competition would be such that they did not want to extend us the usual line of credit. They gave us our usual line but we always needed more. There was never a time we were out of the market for money.

I was in the office when Storrow telephoned to Perkins.  
 393 Nothing was discussed over the telephone to my knowledge except the sale. I do not know whether the suggestion to go to New York came from Perkins or Storrow, but we went. I think the conversation was whether it would be any use for Storrow to see Perkins and that I was in Boston.

I was in Boston to discuss with Storrow the means of expanding our business, especially our foreign business,  
 394 and getting more credit. Storrow had always been anxious to have the business sold. I did not consider Perkins at all when I went to see Storrow; I thought that was ended absolutely, and I made my arrangements to go on with the business just as before. The idea of getting larger capital for our company had been a subject of discussion with us for thirteen years. Prior to 1896, the company had not paid a dividend for ten years—and after

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that only 6 per cent. because the expansion of the business absorbed all the profit. When I went with the company in 1890 it was in bad shape; a few years prior they had introduced a binder which was a failure, and it was said they had lost over \$1,000,000 by it. In 1902 I believe our credit was as good as any other company in the U. S. which borrowed as much money as we did.

When I mentioned to Storrow the subject of getting more money he said he would telephone Perkins; that he knew him quite well. Then we went to see Perkins. We got \$1,800,000 less for the plant than I had asked.

I am connected with the I. H. Co. in an advisory capacity at Auburn factory.

*Minutes of I. H. Co.'s Directors Relating to Osborne Co.*

115 April 21, 1904, Directors of I. H. Co. resolved that Treasurer's action in executing to Merchants' National Bank of Boston, Mass., a guaranty of the payment of any advances not exceeding \$300,000 which it may make to D. M. Osborne & Co., be approved.

215 Resolution of Executive Committee of I. H. Co. adopted Oct. 24, 1904, recites purchase by I. H. Co. of Osborne and Metcalf of entire stock and scrip of Osborne and Columbian companies; and that in the judgment of the Committee it is inexpedient that I. H. Co. should longer own this capital stock and stock scrip; and that the following gentlemen have offered to purchase from said company said capital stock and scrip in the following amounts and for the following sums, respectively:

|                                                          |           |
|----------------------------------------------------------|-----------|
| John J. Glessner: Osborne stock, \$16,666.67;            |           |
| scrip, \$38,333.33; Columbian stock, \$16,666.67         |           |
| for . . . . .                                            | \$250,000 |
| Cyrus H. McCormick: Osborne stock, \$100,000;            |           |
| scrip, \$230,000; and Columbian stock, \$100,000         |           |
| for . . . . .                                            | 1,500,000 |
| Richard F. Howe: Osborne stock, \$120,000; scrip         |           |
| \$276,000; Columbian scrip, \$120,000 for . . . . .      | 1,800,000 |
| Harold F. McCormick: Osborne stock, \$46,666.66;         |           |
| scrip \$107,333.33; and Columbian stock \$46,-           |           |
| 666.66 for . . . . .                                     | 700,000   |
| William H. Jones: Osborne stock, \$16,666.67;            |           |
| scrip, \$38,333.34; and Columbian stock, \$16,-          |           |
| 666.67 for . . . . .                                     | 250,000   |
| the price to be paid by the promissory notes of the sev- |           |



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216 eral purchasers payable on or before 10 years with interest at 4 per cent.; and resolved that I. H. Co. assign to each purchaser the amount of stock and stock scrip set opposite their names upon delivery of the promissory notes.

## IV

*Osborne Output, 1903.*

406 Statement showing the output of the plant of the Osborne Co. for 1903, as follows:

|              |        |
|--------------|--------|
| Binders      | 10,495 |
| Mowers       | 19,955 |
| Reapers      | 4,486  |
| Rakes        | 21,303 |
| Tedders      | 9,065  |
| Corn binders | 2,033  |
| Harrows*     | 52,371 |
| Cultivators  | 11,122 |

\*Including harrow sections.

*Osborne Advertisements.*

(The Government introduced 46 advertisements appearing at various dates between Sept. 2, 1902, and November 19, 1904, in various agricultural implement trade papers, advertising the Osborne Company as "the largest independent manufacturers of harvesters and binders in the world.")

**AULTMAN & MILLER CO. (BUCKEYE).**

## XIV

ALEX LEGGE (witness for defendants):

*Location of Buckeye Plant Advantageous.*

1 The Buckeye plant is well located in a good manufacturing district, close to the source of the supply of raw materials, and was acquired by our people at a very attractive price and at a time when we were contemplating engaging upon other lines of manufacture. The particular line, grain drills, discussed in connection with that was never used. I had nothing to do with its purchase only my judgment was asked as to the value of the property and its location.

528 WILLIAM A. VINCENT (witness for petitioners):

529 I have practiced law in Chicago 25 years. I was in the harvesting machine business in 1903, as president of the Aultman & Miller Buckeye Co. of Akron, O., which bought the assets of the Aultman & Miller Co. in 1903. I bought the assets at the receiver's sale and subsequently organized the Aultman & Miller Buckeye Co. and transferred the property to it and carried on the business in the name of the new company until the fall of 1905.

*The Aultman & Miller Co. in Financial Difficulties in 1901.*

The manner in which I bought the business was as follows: My roommate at college, Ira M. Miller, was a son of Louis Miller, the head of the Aultman & Miller Co. My close association with him has continued from 1875 or 1876 until now. For 7 to 10 years I was general counsel of the International Association of Agricultural Implement & Vehicle Manufacturers. At the Kansas City Convention of 1900 or 1901 Ira Miller confided to me that his concern was in a desperate financial condition; that the competition among manufacturers of mowers, reapers and binders was such that with their capital, in view of the panic of 1893, they did not see how they could survive. He wanted me to take up the question of forming a combination of some of the harvester people, if it was possible. I told him I did not see my way to do it.

Afterwards he saw me a number of times in 1900 or 1901 and urged me to do something to raise capital or help them get away from the keen competition which was ruining them. He complained that the Deerings, McCormicks and others sent out canvassers and would ship machines to a town and employ men in the town to sell them. Within a week or so after I saw in the papers that the I. H. Co. had been organized, William A. Lynch, President of the Aultman Company, came to my office and said he had had a conference with Cyrus McCormick and Charles Deering; that he had been asked by Ira Miller to see if he could not make some arrangements by which Aultman & Miller Company would be taken into the I. H. Co. He said that Mr. McCormick and Mr. Deering had said that they had all the companies they wanted and that  
531 they had a very poor opinion of the Aultman & Miller

concern. Lynch asked me if my relations with the I. H. Co. were such that I could try to induce them to take it into the combination. I told him I was satisfied I could get them to consider it. I did see Cyrus and Harold McCormick, Charles Deering, James Deering and Richard F. Howe, in the summer of 1902. I saw them many times and tried to persuade them to buy the Aultman & Miller Company. For some months they would not consider it at all. They said it had quit manufacturing at Akron and had closed its branch houses at Kansas City and other places; that its plant was an old one; that its wood-working machinery was worthless and its products antiquated. A receiver had been appointed for the Akron Twine & Cordage Company, which was a separate corporation, but all of its stock belonged to the Aultman & Miller Company.

*International Not Desirous of Acquiring Buckeye.*

- 532 Finally I asked Mr. Deering and Mr. McCormick to meet Mr. Crouse and Mr. Miller at my office and, reluctantly, they agreed to it. This was about April 2, 1903, and I had been trying from July, 1902, to induce them to buy the plant. I think they got tired hearing of the subject and of seeing me. They never approached me; I always hunted them up and tried to force it on them. My impression is that some sort of a percentage was offered by Messrs. McCormick and Deering for the purchase of the assets. If my recollection is correct, this conference was held on April 2nd, 1903. I have a telegram from Mr. Crouse, dated April 3, in which he says that they would accept the proposition and endeavor to carry it out. I don't remember what the proposition was. I received a letter on the 4th stating that
- 533 they would "try to put the same through with the creditors." My impression is that that letter was written before Aultman & Miller Company was put in bankruptcy. That had nothing to do with putting it in the hands of the receiver. We all knew it was going into the hands of a receiver, and I imagine the proposition was to pay some small percentage for the assets of Aultman & Miller Company.

Messrs. Crouse and Miller had arranged to pay me a commission, if I sold their plant to the I. H. Co., of \$25,000. After the Akron Twine & Cordage Co. had

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been put into the hands of a receiver, I raised the question as to how I was to be paid if I continued in this matter and rendered the services; so, with the knowledge of Mr. Miller and Mr. Crouse, I made a contract with the International people, dated April 2, 1903, in the form of a letter addressed to Cyrus H. McCormick, President, stating that Vincent would undertake to purchase the assets of the Aultman & Miller Company, upon the  
 534 following terms: First, to be paid a retainer of \$1,000; second, if successful in purchasing for a satisfactory sum, an additional sum of \$25,000.

I went to Akron many times and to Cleveland many times, and subsequently to New York. I made many verbal propositions to the trustees in bankruptcy in regard to the purchase of this plant. I have a report of The Audit Company of New York of an examination they  
 535 made of the plant December, 1901, or January, 1902. I was negotiating for the Harvester Company. I did not at that time keep it secret that I was acting for them. These negotiations all fell through; nothing came of them.

*Negotiations with Creditors' Committee.*

Mr. Crouse and Mr. Miller were my friends. Ira Miller wished to save the name of Aultman & Miller. He wanted the concern to be kept going as much as possible. My negotiations were with the Creditors' Committee and with the trustees. The report of the Audit Company of New York, dated Feb. 20, 1903, showed that the excess  
 536 of liabilities over the assets of Aultman & Miller Company as a going concern was \$134,725.01 and if liquidated \$1,022,718. I had this report the last of February or early in March.

All that I have narrated occurred long before I bought the property. Before I got through there were changes in the negotiations. On May 12, 1903, I made a proposition to the trustees and creditors' committee, addressed to Clay H. Hollister, care First National Bank, Akron, Ohio, for the purchase of the property. When I made this  
 537 proposal I was acting for the Harvester Company. The  
 538 committee declined this proposition.

I finally bought the property in July. The proposition then was not made by the I. H. Co., but by me in my individual capacity. When the proposition of May 12 was rejected, the Harvester Co. abandoned me and the enterprise, and I took it up myself. On June 19th I made a

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proposition to purchase it for \$640,000. This was accepted and I bought it on July 1, 1903. That was not an I. H. Co. proposition; it was my own. I borrowed the money in New York from the First National Bank and the Leather Manufacturers' National Bank. I did not have a note of introduction to the First National Bank; knew no one there, and did not know it was a bank where the I. H. Co. deposited money. I had tried to borrow money at 12 or 15 other banks before I went to that bank. I got no encouragement at all until I went to the Leather Manufacturers' Bank in New York, where I got \$320,000. The officer (I do not remember his name) with whom I did business, asked me who I knew in New York and I said Col. John J. McCook and William C. Gulliver of Alexander & Green. He said "Come in and see me tomorrow and meantime I will see them." I then went immediately to see Col. McCook and Mr. Gulliver and asked them to see this gentleman. I borrowed \$320,000 from the First National Bank. I did business with four different gentlemen in that bank at different times. Shortly after this I organized the Aultman & Miller Buckeye Company. I took the \$640,000 and paid it to the Creditors' Committee. I was acting for myself in the matter. I always felt that morally I was acting for the stockholders of the I. H. Co. but I started out to do this thing myself and did it myself. I had said to Mr. McCormick and Mr. Deering that I was going to make an effort to do this myself and if they wanted to take the property and pay me my fee the probabilities were I would let them do so. I did not tell the New York banks that the I. H. Co. would protect me on the loans. I gave notes but no one endorsed them; I entered into a contract with the First National Bank or some of its officers, by which I agreed to organize the Aultman & Miller Buckeye Company, because it was believed we could collect much more of the receivables if we used the old name "Buckeye." I agreed to deposit all of the stock of the Aultman & Miller Buckeye Company, organized it, if they would loan me \$640,000. It was agreed that the Leather Manufacturers' National Bank would furnish \$320,000 and the First National \$320,000 but the notes should be given to the First National. They were to send somebody to Ohio to investigate the assets and then talk the matter over with Mr. Green, President of the Audit Company of New York,

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and they talked both to Mr. Gulliver and Col. McCook and found that my references were satisfactory.

While I was in New York I was acting purely for myself. I do not remember any oral or written agreement to act for the Harvester Co. or its directors, but I always  
542 thought I was morally bound to some of the stockholders, particularly to Mr. Cyrus McCormick and Mr. Deering. But it should be understood that they had declined to proceed after the proposition of May 12th. I do not remember when I again felt I was acting for them.

*Transfer to International.*

I sold to the Harvester Company in 1905 in October or November. In running the business I consulted Mr. McCormick and Mr. Deering about most of the things I did, but they were very busy and I could not get much advice and, in some instances, used my own judgment entirely. I always acted in co-operation with them after the plant was bought.

543 I remember making a statement to the press in July, 1903, that I was going to run this Company as an independent company and that the I. H. Co. had no interest in the purchase. That was absolutely true. When I was buying this property and when I went to New York there was no expressed or implied agreement that I was acting for the I. H. Co. I felt as a matter of honor, if I succeeded in buying the Company, it should go to the I. H. Co. Later it did, and I got a fee and that is all I did  
544 get out of it.

I ran the Buckeye Company very largely as if it were my own business, though not knowing anything about the harvester business I had to depend largely on others. During those two years I was not acting for the stockholders of the I. H. Co. If the International people ever assisted me in raising the money I never knew it. I was not surprised that I could get \$640,000 from the banks in New York. If assistance was rendered me by the Harvester Company in doing it, and it may have been so, it was done in the clumsiest way that any man was ever helped.  
545 I was ten or twelve days in New York raising the money and before I went there I started out to raise it in Chicago. Mr. Forgan and Mr. Mitchell both turned me down. If the note I gave was guaranteed by the Harvester people in any way it was done in a very stupid manner for they made me waste a lot of time.

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I paid back part of the \$640,000 note I gave in New York. Afterwards I took up the \$640,000 note and made a note for \$680,000, which was carried at the First National of New York and paid Feb. 1, 1904. There had been payments made on it and I, myself, paid it. I borrowed the money from John J. Mitchell of the Illinois Trust & Savings Bank, of Chicago. I gave him a note and made payments on it from time to time and I have that canceled note here. The various payments I made reduced the Mitchell note from \$639,678.89, to the neighborhood of \$70,000. I obtained the money for paying  
 546 these notes from the earnings and collections of the Aultman & Miller Buckeye Company and from part of the property I had sold.

On October 26, 1905, Cyrus H. McCormick agreed in consideration of the transfer by me to Richard F. Howe of the capital stock, except four shares, of the Aultman & Miller Buckeye Company, to discharge at maturity all unpaid balances of my note dated Jan. 26, 1904, payable to the Illinois Trust & Savings Bank, Chicago. The contract was accompanied by directions to Mr. Cooper, assistant cashier, as to the delivery of the stock.

*McCormick Objected to Advertisements Published Under Vincent's Management.*

547 I only remember seeing two advertisements of the Aultman & Miller Buckeye Company. I may have seen fifty. I remember the one you show me, in the Farm Implement News for July, 1903. My attention was called by Cyrus McCormick to an advertisement in some paper where a woman, dressed in flowing robes, and marked "Buckeye Company" had thrown on the ground a bull marked "International Harvester Company." I remember the statement "We have taken the bull by the horns" because Cyrus McCormick came to see me and was very much offended that I had permitted that sort of an advertisement. Our company was not holding out to the world that it was independent during all the two years. Mr. McCormick complained so about this that I sent for Gordon W. Allen, the manager, and told him it must not be repeated and he said he was not responsible for it; that it had been put in by some advertising man connected with the company. I said to him that I would like to see his next advertisement, and he showed it to me, and that statement was not in the advertisement that I approved.

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I do not recollect that Mr. McCormick protested when I stated to the press, on the acquisition of the Company, that the I. H. Co. had no interest in our purchase. As a matter of business policy we had to continue the Aultman & Miller Buckeye Co. to make our collections. Experience had shown, I was so informed, that where a concern was changed or sold out it was almost impossible to collect its receivables. That was one of the reasons the matter was kept quiet. I cannot say that we were not independent.

I might have executed some contract agreeing to sell this Company to the I. H. Co., but I do not recall any. During this transaction I felt it was my own and I could do what I pleased with it, but as I repeat, I felt morally bound to sell to the I. H. Co. if they wanted it.

549 Since I was subpoenaed I have seen Mr. Cyrus McCormick, Mr. McHugh, Mr. Bancroft, Judge Post and Mr. Funk. I have talked over with these gentlemen my connection in these matters.

*Cross-Examination.*

I have not told an untruth as a result of my conversations with the defendants. I was seeking information on things I had forgotten and I did not get any from anybody.

*Assets as "a Going Concern" and "in Liquidation" Compared.*

550 Report, dated February 20, 1903, made by the Audit Company of New York to G. W. Crouse, President of the Aultman-Miller & Company, valuing the assets of said company as of December 31, 1902.

552 "Our conclusions as to the values of the assets on the basis of a 'going business' and under liquidation are as follows:



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|                                                       | If operated    | If liquidated  |
|-------------------------------------------------------|----------------|----------------|
| Plant                                                 | \$464,867.00   | \$ 143,571.00  |
| Akron Twine & Cordage Company's plant                 | 91,061.00      | 37,294.00      |
| Notes and accounts receivable                         | 691,605.22     | 398,372.48     |
| Consigned goods and inventories                       | 383,394.78     | 174,697.53     |
| Cash                                                  | 49,428.80      | 49,428.80      |
| Other assets                                          | 71,294.02      | 60,294.02      |
| <i>Total Assets.</i>                                  |                |                |
| Estimated values                                      | \$1,751,650.82 | \$ 863,657.83  |
| Less current liabilities                              | 1,886,375.83   | 1,886,375.83   |
| Excess of liabilities over estimated values of assets | \$134,725.01   | 1,022,718.00'' |

## XIV

*Testimony of C. H. McCormick in Missouri Case.*

173 Certified copy of testimony of Cyrus H. McCormick in suit of State of Missouri *v. I. H. Co.*, relating to Aultman & Miller Buckeye Co. offered by petitioner "for the purpose solely of showing admissions under the rule of evidence that admissions as to facts made by a party litigant in one suit may be shown in another suit where the same facts are also in issue."

Objected to as incompetent, irrelevant and immaterial, and because the petitioner could have subpoenaed Mr. McCormick and because the testimony was given by Mr. McCormick while a witness called by the State of Missouri.

Mr. McCormick's testimony in the Missouri case offered by petitioner:

174 "The next company taken over was the Aultman & Miller Buckeye Co., Nov., 1905. The I. H. Co. had no interest in its stock previous to Nov., 1905, only some of its stockholders as individuals had loaned credit to Judge Vincent from whom they bought the plant. The Aultman Miller Co. failed in 1903 and Judge Vincent bought it at a trustee sale. The stockholders of the I. H. Co. loaned him credit, endorsed for him at the bank, and furnished him the means to buy the property; then Judge Vincent organized the Aultman & Miller Buckeye Co. in which, I think, stockholders of the I. H. Co. were the controlling interest; they were not stockholders because they loaned him

## XIV

- credit; they had no interest. I do not know that the stock of the new company was up as collateral for these notes. The money that went into the reorganization of the Buckeye Co. was obtained from stockholders of the I. H. Co. sometime in 1903. The Aultman & Miller Buckeye Co. was continued through two seasons as their own business. I don't recall whether that was necessary to collect the bills receivable. I think it was a plan made by Judge Vincent. When it was taken over by the I. H. Co. in Nov., 1905, these stockholders were reimbursed. During two seasons the Aultman & Miller Buckeye Co. was conducted as independent for the sake of furnishing repairs to the Buckeye machines throughout the country; very few Buckeye machines were made. I think stockholders who advanced credit to Judge Vincent were Mr. Glessner, Mr. Jones, one or two Deerings and one or two McCormicks. They were practically the same ones that had advanced credit in all this stock purchased with some variations in amounts. They were within the Board of Directors of the I. H. Co.

## IV

*Documents Relating to Aultman & Miller Purchase.*

- 180 Assignment Sept. 30, 1905, from Aultman & Miller Buckeye Co. to I. H. Co. of all its property excepting cash and certain claims in suit, subject to payment by vendee of liabilities existing Sept. 30, 1905. (Pet. Exh. 30.)

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- 116 Directors of I. H. Co. on Nov. 17, 1905, approved minutes of Executive Committee of Oct. 26, 1905, Cyrus H. McCormick and Richard F. Howe refrained from voting on resolution authorizing purchase of Aultman & Miller Buckeye property; all others voted in affirmative.

## IV

- 181 Two deeds, Nov. 2, 1905, conveying real estate from Aultman & Miller Buckeye Co. to I. H. Co. (Pet. Exh. 30B and 30C.)

## KEYSTONE COMPANY.

## XIV

42 ALEX LEGGE (witness for defendants):

*Well Located for Manufacturing.*

Asked as to the value of the Keystone plant to the I. H. Co.: It included a few tillage tools, but mainly a good line of hay loaders, side-delivery rakes and corn shellers, none of which we had at that time. It was well located for manufacturing, and possessed a valuable water power, which we have developed and are now using.

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191 HENRY B. UTLEY (witness for petitioner):

Manager of the Purchasing Department of I. H. Co. In 1886 I was with the McCormick Company as superintendent of the works until Jan. 1, 1900. Then for a  
192 time I did nothing; for a year was General Manager of Whitman & Barnes Mfg. Co.; then became interested in the Keystone Co. at Sterling, Ill.

*Keystone Co. Made Well Known Line of Hay Tools.*

193 The Keystone Manufacturing Co. was in the hands of a receiver when I purchased the business and organized the Keystone Co. about March 1, 1903. The business of that company was the manufacture of corn shellers, hay loaders, hay rakes, disc harrows and corn shredders. They had a well known line of hay tools. My chief associates were: E. K. Butler, A. J. Platt, R. B. Swift  
194 and H. S. Butler. E. K. Butler, an uncle of mine, had been General Manager of the McCormick Co. Mr. Platt had been an active man in the Keystone Mfg. Co. when it failed. I owned 1,000 shares of stock in the Keystone Co. We paid one hundred and forty odd thousand dollars for the plant of the Keystone Mfg. Co. The capital stock of the new company was \$400,000 issued at par.

*Sale to International in Fall of 1904.*

I became interested in the Keystone proposition because it was located at my home, and I was looking for an opportunity to utilize my long experience and training in

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 195 • similar lines. I think I brought this matter to the attention of other people. Personally I put in \$60,000—the balance I borrowed. I did not borrow it from any officers or stockholders of the I. H. Co. I have not retained a copy of the contract under which the Keystone Co. sold out on Oct. 13, 1904, to certain officers and stockholders of the I. H. Co. Most likely a copy could be obtained from Mr. Platt, Secretary of the Keystone Co. I assume that he has all the records now.

*Business Policy to Advertise as Independent.*

During the years 1903 and 1904, we advertised the company widely as independent. Perhaps during the early part of 1905 it was also so advertised. We sold the controlling interest in the fall of 1904 to Cyrus H. McCormick, Charles Deering, G. W. Perkins, James Deering, 196 J. J. Glessner, W. H. Jones, Stanley McCormick, Richard F. Howe, and Harold McCormick.

The letter (Pet. Ex. 38) addressed to John S. Green is on the letterhead of the Keystone Co. and signed with a rubber stamp which I think belonged to its secretary; at the bottom are the initials of Mr. Platt. I do not recall whose initials "GMR" are.

197 Pet's Exh. 38 is a letter dated Sterling, Ill., 6/5/1905 to Mr. John S. Green, Creighton, Nebr., and states:

"Replying to yours of the 31st ult. in reference to reports that the I. H. Co. have purchased our business, beg to say that the officers whose names are at the head of this sheet are in charge of the Keystone Co. and there is nothing whatever in the report you have heard of others having secured control of this business. We are of the opinion that the I. H. Co. already have more factories than they are able to operate profitably. We hope you will be able to use a liberal quantity of our goods in your trade this season. Signature: The Keystone Co., A. J. Platt, Secy. AJP:GMR"

198 Mr. UTLEY. I cannot say we were concealing the fact that we had sold out to the I. H. Co.; we were doing the things we thought necessary for the conduct of the business, as a matter of business policy. I think in 1905 we advertised that we were still independent.

Mr. Swift was formerly connected with the McCormick Co. While he was our associate, he was an employe of the I. H. Co.,—I think with the patent and experimental

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department. I do not remember whether Swift, about the middle of 1905, filed a suit against I. H. Co. or whether the concealment of the ownership of the Keystone became known by reason of that suit.

I think we stopped advertising the company as independent in the spring of 1905. I left the Keystone Co. May 1, 1907; about a year before I accepted employment with the I. H. Co. Platt became employed by the I. H. Co. as soon as his duties with the Keystone Co. were severed.

The advertisement from the Farm Implement News of April 13, 1905 (Pet's Exh. 10), was an advertisement of the Keystone Co. The dead school master in the advertisement presumably was D. M. Osborne & Co., whose business had been bought by the I. H. Co. Osborne & Co. had been advertising for two years as independent. When we advertised as independent we meant not connected with the I. H. Co.

We had branch houses at Kansas City, Council Bluffs, Columbus, O. We shipped to those cities from our factory in Sterling and they distributed through retail implement dealers to the farmers. We used the commission agency contract very little; most of our business was done by direct sales contracts. Our shipments were very largely directed to the implement dealer from the factory.

I am not able to state when the circular labeled "an open letter" signed "The Keystone Company, Sterling, Ill.," was issued.

204

### *Cross-Examination.*

#### *Reasons for Advertising as Independent.*

The Keystone Co.'s season began July 1. The work of selling began soon after that date and terminated usually in the early spring. At the time of the purchase by the I. H. Co., it was understood that the business should be conducted by the former owners throughout the year in a manner as they thought best. Before the sale was made, we who owned the Keystone Co. had begun work in selling about three or four months before. We had hired our salesmen, fixed our selling policy for the year, including prices and the amount of goods to be made, and made what changes were thought advisable in the organization; and sent our men out with instructions with reference to the taking of orders and selling goods.

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 205 The head of the sales organization was at my office. Immediately under the sales manager were the various district salesmen; under them the dealers, the local agents. Usually we sold goods outright to the local dealer, for cash at the end of the season. We were not rich enough to do business the other way. As a rule, they paid for all machines shipped, whether sold or not. In some cases, perhaps as result of crop conditions, we were obliged to make extensions, but our policy was to do a cash business. I think our terms provided for payment in July or  
 206 August. The machines shipped out in the season of 1904 were to be paid for in 1905 by the agents.

*Announcement of Sale Would Have Demoralized the Business.*

The purchase was made in October, 1904; if it had been given out that the I. H. Co. had acquired the business of this company, the effect would have been demoralizing to its business and that of the local agent, for the reason, chiefly, that competitors would have at once advertised that the business had been sold and probably that it would be discontinued, and therefore the dealer and farmer would be unable to get repairs; and probably many other things that a resourceful salesman would resort to. It was good business policy not to make the sale public. We had no thought of deceiving the public; our only thought was to protect the business of that company for that particular season that was under way.

*Keystone Run as Independent to Conserve That Season's Business.*

207 After the purchase in October, we managed the business in just as independent a manner as before; no dictation on the part of anybody, with reference to policy, prices, or anything else pertaining to the business; we managed it with a free hand. This purchase having been made after the season's business was well under way, to conserve that season's business, the management was left in the officers of the old company and no publicity was given to the fact of the sale. Mr. Swift owned some stock of the Keystone Co. He was not there as a spy for the I. H. Co. on our business.

*Re-direct Examination.*

208 I understand the contract requested is the one I have testified about providing for the sale of the stock or busi-

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ness of the Keystone Co. to some stockholders of the I. H. Co. The negotiation with these stockholders was conducted by E. K. Butler. It began I should think, a month or two—several months perhaps—before Oct. 13.

I am in charge of the I. H. Co. Purchasing Department. We have a manufacturing and a selling season for harvesting machinery. This has always been the case necessarily. The officers in the fall, or the end of summer, make estimates as to the requirements for the following season and proceed to manufacture in accordance with these estimates. I had to do with the sales of the Keystone Co., in a general way; we had a sales manager. My duties were largely with the buying of material and the manufacturing. I think the selling season extends perhaps throughout the year. By a selling and a manufacturing season I mean there is a clear dividing line between the manufacturing year and the selling year.

The Keystone Co. did not sell any harvesting machines at all, except a few the second year. We started in with hay tools as the principal line, disc harrows and corn shredders. In the second year we began to manufacture a new binder and advertised it.

*Only Purpose to Protect the Business.*

210 Q. State again the reason you gave for concealing that you had sold out to the I. H. Co.? A. The common sense business reason, that we were protecting the business to the extent of preventing competitors from circulating statements and stories that we had been absorbed and therefore the business would be closed up. It would have been disastrous to the business, in other words. I do not think we had any thought of deceiving the public. We were trying to conserve the business. It was understood we should manage the business in our own way and that was done. We were advertising and holding ourselves out to be independent for a part of the year. I think we ceased in April or May, 1905. We did not make known to the public that we were controlled by the I. H. Co. until the fall of that year, when an official statement was published. As I recall it, it was in the summer of 1905 that the Swift petition was filed, charging that we were owned by the I. H. Co. and that the relationship was being concealed.

## III

306

*Recalled.**No contract Executed; Only Transfer of Stock.*

I find that no written contract with directors of the I. H. Co. relating to the sale of the Keystone Co. was ever  
 307 executed. I have talked with Mr. Platt, the secretary, and with Mr. Butler, who personally conducted all the negotiations, and Mr. Butler assures me that there was never any contract. It was simply a purchase of the control by stock and no occasion for such a contract. The stock was turned over to them on Oct. 13, 1904. There was a bill of sale of Sept. 5, 1905, covering the turning over to the I. H. Co. of the business.

As to arranging about the receivables, I had nothing whatever to do, personally with the negotiations. I have not asked any of the stockholders of the I. H. Co. whether there was a contract in Oct., 1904.

There is no written memorandum of any kind of the sale. Mr. Butler says there was no occasion for any memorandum. There was nothing done beyond the usual purchase of the stock and turning it over.

## II

141 E. K. BUTLER (witness for petitioner):

I reside at Chicago. I began in the harvesting business with the McCormick Co. in 1866 and left them in Nov., 1898. I was acquainted with the condition of the harvesting business generally in 1898. There was competition between the different manufacturers. I made several trips abroad on behalf of the McCormick Co. prior to 1898 in order to extend their foreign business. I thought the trips were successful. The last was in 1898 when I  
 142 visited continental Europe. My recollection is that I brought back orders for 22,000 machines. The Deering, Wood, Osborne, Plano and Johnston Companies were doing a foreign business at the same time.

*Business of the Keystone Company.*

In the spring of 1903 I bought the Keystone Co. They had not been building harvesting machines or mowers, but having been at it all my life I could not do otherwise than make a stagger at it, and try to do something. We built up a partial business and wanted to make it larger.



## II

The company had been manufacturing hay tools, corn planters, corn shredders, disc harrows, potato planters and various lines of implements; we started building mowers immediately. Four months later we had ten mowers in the field, just to test them out. The next season we built and sold 5000. We thought our business successful. It was quite satisfactory, and we were attempting to build it up.

*Business in Binders and Mowers Small.*

143 We sold out about the middle of Oct., 1904, to the officers of the I. H. Co., the Deerings, Mr. Howe, Mr. McCormick, Mr. Jones and Mr. Glessner. At that time we thought we had made a good start in selling binders and mowers. The numbers were small comparatively, but we thought we had passed beyond the experimental stage. We thought our binders and mowers were efficient. We were able to sell all we made. We thought we had a little better machine than anybody else.

We tried to get the best men for the company and had no trouble in getting all we wanted. We thought we had some of the best. In the fall of 1904 we had no difficulty in getting all the money we needed.

*Cross-Examination.*

Our company did not have any binders in 1903, and did  
144 not make any effort to sell any in 1904. We built ten and sent them out over the country and got them operated to find out the weak points, if any; did not offer them for sale. In 1905 we started to build and had in process of construction, 1500.

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58 A. J. PLATT (witness for defendants):

*Lines Manufactured by Keystone.*

I have lived at Sterling, Ill., for 30 years; am a manufacturer of potato machinery. The Keystone Company was organized in March, 1903, and I was connected with it from its organization. The Keystone Mfg. Co. was organized in 1883. I was its secretary from its organization. In 1903 they were making hay loaders, side delivery rakes, disc harrows, a few corn planters, corn shellers, and later they added a mower, and later a binder. The

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old lines of the Keystone Co. had been made many years at Sterling. It had an established name and reputation  
59 throughout the country.

*Business Reasons for Not Publishing Sale.*

After the transfer of its stock in fall of 1904, the Keystone Co. ran on and advertised as a company under separate management through the season of 1905. It would have resulted very seriously in the sale of the Keystone output if it had been announced in the late fall or winter of 1904-5 that the I. H. Co. had acquired the company. We had begun our work for the season of 1905; had a great many contracts made, the sale force was employed, and all arrangements made for the business of that year. A good many of our traveling men would have retired from the company had announcement been made that it had been acquired by some other company. They would have been looking for other concerns that they thought were more permanent, and a great many dealers would have canceled their contracts. It would have been disastrous on the season's business, and it was necessary that it be carried on as an independent company for that season to conserve that season's business.

*Cross-Examination.*

*I. H. Co. Did Not Direct Policy of Keystone.*

It is absolutely untrue that we made any statements that were not correct. The I. H. Co. never directed the  
60 policy of the Keystone Co. in any way. We had sold out to some stockholders of the I. H. Co. I do not think the I. H. Co. itself purchased the stock. I think certain officers actively managing the I. H. Co. had acquired the control of the Keystone Co. through the purchase of its stock. They did not control the management. We never heard of them nor saw them.

What we were trying to conceal from the outside world to protect our business was that it had been disposed of to other parties. It did not make any difference whether it was the I. H. Co. or any other concern; the results would have been practically the same, because dealers could not know they would have the line for the next year. It would have resulted in other changes which would not have been of benefit to the dealers who were advertising and promoting the sale of goods. As to whether in 1905

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we explicitly advertised our company as not controlled by the trust and as having no connection with it, I do not think we did after the first of April or March. We so advertised I think for about two months after we had parted with the stock. (Being shown Pet. Ex. 38): I have no recollection of writing that letter; it may be possible I did. I think it was not until Aug., 1905, that the fact  
 61 was made known that the Keystone Co. had been acquired by the I. H. Co.

From Sept. 1, 1905, to April, 1907, I was employed by the I. H. Co. The transfer of my Keystone stock was made in Jan., 1905. I signed no contract in connection therewith, and had no negotiations with any officers or employes of the I. H. Co.; E. K. Butler acted for me. I do not know with whom he dealt; nor who were the stockholders of the I. H. Co. who acquired my stock. I was simply told by Mr. Butler and we endorsed it in blank. They paid me \$118.75 for my stock. I know nothing at all of any contract regarding the purchase of the stock.

62 When I testified in regard to conserving the property I meant conserving the property of the stockholders, whoever they might be. No one ever told me it would be impossible for us to collect on bills and accounts receivable, if it was known that the I. H. Co. had acquired our company. I know of no case where the I. H. Co. acquired receivables and found it impossible to collect them.

As to whether during 1903, 1904 and 1905 many dealers doing business with us stated they desired to do business with a company not affiliated with any trust, possibly that was true when we went into the binder and mower business, but not in 1903 and 1904 before we engaged in that line. We were not building mowers until 1904 and binders until 1905. There were a few dealers in 1904 that wanted to buy mowers from a company not identified with what they called the "Trust." We sold no binders in  
 63 1904; don't think we advertised in 1904, in making sales of mowers that we were not connected with any trust. (Being shown advertisements, III, 79.) The advertisements look familiar; I cannot state whether the dates are correct. We did advertise we were not identified with any trust early in 1904 and solicited business on those conditions on mowers.

I had nothing to do with the negotiations which resulted in the sale to the I. H. Co. I do not know who suggested that the purchase be kept secret.

## IV

*Documents Relating to Keystone Sale.*

- 175 Agreement, Sept. 6, 1905. between The Keystone Co., first party, I. H. Co., second party, and Cyrus H. McCormick, Charles Deering, Harold F. McCormick, James Deering, John J. Glessner, William H. Jones, Stanley McCormick, Richard F. Howe and George W. Perkins, third party: First party to convey all of its property of every kind to second party; second party to pay all first party's liabilities, and to protect third party against full costs of third party's stock in first party. Third party consents to the conveyance. (Pet. Exh. 29A.)
- 176-179 Three deeds and assignments conveying the property of the Keystone Co. to I. H. Co., dated Sept. 6, 1905. (Pet. Exh. 29B, 29C and 29D.)

## III

- 465-466 Pet. Ex. 279: General letter of I. H. Co. of America to its general agents, dated Sept. 12, 1905. States that the I. H. Co. has purchased the Keystone Co. at Sterling, which was established a good many years and has made a variety of farm implements with good reputation in the trade; that the general agency organization should become active in the sale of Keystone corn shellers, shredders, side delivery rakes and hay loaders, and that advertisements will be sent out; old customers of the Keystone should be given preference, but the general agents are at liberty to place the goods with dealers they select; letters should go to local agents telling them we can furnish these goods and requesting them not to place orders until we have had a chance to figure with them; the goods to be sold under a sales contract, but shredder may be included in the regular commission agency contract.

## X

*Keystone Binder Not a Success.*

- 2 JENS ANDERSON, implement dealer, Windom, Minn.:

I handled the Keystone binder in 1905 and sold eight. I judged them a failure as compared with the modern binder and as compared with the binders then on sale.

- 3 We had to take them back the same year after the harvest. I was out on the farms where they were trying to work

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these Keystones and know that they did not do the work and had to be substituted. Eight Keystone binders had to be replaced; all that I sold. They were replaced to the farmers in the winter of 1906.

66 OLAF BJORKE, implement dealer, Abercrombie, N. D.:

I was in business in 1905. Keystone binders were sold in my territory in that year. The farmer who bought it returned it. It did not give satisfaction. It was not a successful binder. I did not sell the Keystone.

A. K. Tweete was the agent for the Keystone. He sold it in 1905 as an independent binder.

59 ANGUS FERGUSON, implement dealer, Bordulac, N. D.:

60 I sold Keystone binders in 1905. The experience of the farmers with them was a lot of grief. The Keystone binder was a failure.

I sold 17 Keystone binders in 1905.

**"MINNIE" HARVESTER COMPANY.**

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357 E. M. CRAVATH (witness for petitioner):

Being handed agreement of Oct. 2, 1905, and asked to state the circumstances of purchase of Minnie Harvester Co. stock about Sept. 30, 1903: That transaction is very hazy to me. I think I paid \$945,000 for it at the request of Mr. Cravath. I had no expectation of operating that company. I had no dealings with the owners. I preserved no papers relating to this transaction and I do not think any were turned over to me. I performed the transaction. I remember borrowing the money but my memory is very hazy. The money was furnished by the Bankers Trust Co. I do not know what became of the stock after I acquired it; that was all managed by the attorneys. I did not operate the Minnie H. Co. myself or take any part in its business or talk with any of its officers or employes. Nothing whatever was said about keeping the transaction secret.

## III

*Agreement for Sale of Minnie Co.*

284 Pet. Ex. 211: Agreement, Sept. 30, 1903, be-  
 between American Grass Twine Co., Vendor, and E. M.  
 Cravath, Purchaser: Vendor to sell entire capital stock,  
 285 60,000 shares, of Minnie Harvester Co. Vendor represents  
 that attached schedules show with substantial correctness  
 assets owned by company on Sept. 1, 1903, and guarantees  
 its ownership thereof. Vendor to assume all debts of the  
 286 company existing Aug. 31, 1903, and Purchaser to pay an  
 amount equal to all funds in company's treasury Sept. 1,  
 1903.

Vendor guarantees that before Oct. 1, 1906, \$450,000  
 shall be realized from the company's receivables and if  
 not vendor will pay difference. Upon payment of dif-  
 ference, uncollected receivables shall be assigned to Ven-  
 dor and shall remain its property until there shall have  
 been collected therefrom a net amount equal to difference  
 paid with 5 per cent. interest; and after assignee shall  
 have received from such collections amount of difference  
 and interest, remainder of receivables shall be reassigned  
 to purchaser.

287 Purchaser to conduct business of Minnie Harvester Co.  
 as going concern until Jan. 1, 1905, under supervision of  
 some party acceptable to vendor, and that all litigation  
 before Oct. 1, 1906, to collect receivables, shall be managed  
 by Davis, Kellogg & Severance; "the object of this provi-  
 sion being to create favorable conditions for the collec-  
 tion of the receivables aforesaid."

Vendor covenants that neither it nor its successors nor  
 assigns shall, for 5 years, lease or assign any harvesting  
 machines or grass binding twine, or rights to manufac-  
 ture, to any person making or dealing in harvesting ma-  
 chinery, except persons doing business exclusively in  
 Florida, Delaware or Arizona; except that grass twine  
 may be sold to parties agreeing not to sell it for binding  
 grain. Vendor to procure cancellation of all contracts be-  
 tween it and Minnie Co. and provides for exchange be-  
 tween them of general releases; directors and officers of  
 company to resign when stock is deposited to Purchaser's  
 order; Vendor to obtain from resigning directors con-  
 288 tracts to cooperate with Purchaser in reorganizing the  
 Minnie business.

Purchaser to deliver 10 promissory notes dated Sept.  
 1, 1903: One for \$50,000 and one for \$95,000 due Oct. 1,

## III

1904; four for \$100,000 each due Oct. 1, 1905; four for \$100,000 each due Oct. 1, 1906, with interest at 5 per cent. from April, 1904; 60,000 shares of Minnie stock to be deposited as collateral security.

289 Purpose of contract to transfer to Purchaser the capital stock and business of Minnie Co. as of Sept. 1, 1903, free of all debts and encumbrances; sale to take effect Sept. 1, 1903.

290 Correctness of representations and performance of agreements of Vendor (except as to quantities of certain properties) guaranteed by J. M. Haggin and D. O. Mills. Performance of above agreement by Purchaser (except as to payment of notes or purchase price) guaranteed by Elbert H. Gary.

## I

459 J. J. GLESSNER (witness for petitioner):

I do not recall the circumstances under which the I. H. Co. acquired the property of the Minnie Harvester Co. in the fall of 1903, or know why it was done through E. M. Cravath. I knew the property was bought but did not  
460 know the purchase was kept secret. (Being shown Minutes of Executive Committee of Nov. 6, 1905, authorizing witness and Howe to execute contract relating to Minnie Harvester Co.): I do not recall those minutes at all, but I have no doubt I signed it.

*Minutes and Documents Relating to Sale of Minnie Co.*

212 Minutes of Executive Committee of I. H. Co. Nov. 6, 1905: Vice President Glessner and Secretary Howe instructed to execute following agreement:

Agreement dated Oct. 2, 1905, between Cyrus H. McCormick and Charles Deering, first party, and I. H. Co., second party: Recites purchase on Sept. 30,  
213 1903, by E. M. Cravath of stock of Minnie Harvester Co. from American Grass Twine Co.; and that first parties have bought from Cravath said Minnie stock and have agreed to indemnify Cravath against all liabilities growing out of said purchase;

214 First party guarantees that as soon as second party shall have paid outstanding notes of Cravath aggregating \$400,000 the Minnie Harvester Co. shall execute instruments vesting in second party all assets

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of said Minnie Co. Second party to indemnify both first party and Cravath from all liabilities in connection with said purchase.

IV

- 182 Pet. Exh. 31A—Deed, Sept. 30, 1905, from Minnie Harvester Co. to International Flax Twine Co., conveying all machinery and property at its plant at Hazel Park, St. Paul, Minn.
- 184 Pet. Exh. 31B—Assignment, Sept. 30, 1905, from Minnie Harvester Co. to I. H. Co. of America, conveying all harvesting machines and repairs at first party's factory at St. Paul, and all bills and accounts receivable accruing from its sales of machines and twine.
- 186 Pet. Exh. 31C—Deed, Sept. 30, 1905, conveying real estate from Minnie Harvester Co. to International Flax Twine Co.

XIII

35 JAMES J. EARLY (witness for defendants):

*Financial Difficulties of Predecessors of Minnie Co.*

- In 1892 was employed by the Walter A. Wood Mowing & Reaping Machine Co. at Hoosick Falls, N. Y., at the home office. In Feb., 1893, I came to St. Paul as a clerk for the Walter A. Wood Harvester Co. of Minnesota,
- 36 which had purchased the plant of the Minneapolis Harvester Co. a year or two before and was constructing a plant at St. Paul. During the summer of 1893 they were bringing machinery from the Minneapolis Harvester Works to the new plant, which after that was operated.

- 1893 was the panic year and financial troubles set in. I was told that the business of the company was unprofitable. I know that it was tided along after 1893 by money received from the Walter A. Wood Co. at Hoosick Falls. I believe that the Minnesota Co. continued on a losing
- 37 basis until it went into the hands of a receiver in March, 1895.

I continued in the employment of the receivers who operated the plant for two or three years, with a gradually diminishing output, and finally stopped making machines and rented the malleable part of the factory. For the next two or three years the plant was practically idle except as rented to other parties. The plant was purchased by Mr. Bronson, of Stillwater, at a receiver's sale



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in May, 1901. I understood he was agent for the American Grass Twine Co. I continued in the employment of that company, which started making machines there in the  
 38 fall of 1901 for 1902 business, and carried it through 1902.

*Minnie Co. Organized in 1902.*

Then the Minnie Harvester Company was organized some time in the fall of 1902, and made some machines that fall and in early part of 1903, for the 1903 trade.

39

*Cross-Examination.*

The bulk of our sales in binders and mowers in 1903 were in the northwestern states tributary to St. Paul,—Minnesota, North and South Dakota, Iowa some, and in Nebraska some good agencies; not many in Wisconsin. In 1903 the bulk of the business in harvesting machinery in these states was done by the I. H. Co. The Acme Co.  
 40 were doing some business. I know they had not as many agencies as the International, possibly not as many as we had in some districts; may be more in others. Possibly a few Walter A. Wood were being sold through jobbers, they did not operate directly; their sales were small compared with the total sales. A new company bobbed up, making the Keystone mower. Possibly the Johnston did some business out there; its business was small, I suppose in comparison with the International.

43 It was made known to me in Sept., 1903, that the American Grass Twine Co. sold the stock of the Minnie Co. through E. M. Cravath to the I. H. Co. The Minnie Co. continued thereafter doing business as an independent company and was still doing so when I left in June, 1905. I had charge of the sales.

*In 1898 Farmers Urged That Plant Resume Business.*

During the years we were not operating, scores of letters from dealers and farmers urged the company to get to making machines again so they could deal with some company not in the trust, promising their patronage, but they did not make good.  
 44 Those letters did not come in 1904 and 5, but in 1898 and 9 when we were preparing to do business again. During those years the I. H. Co. had not been organized. They wanted to do business with us, but we had hard work getting agents. We did not do business on the agency

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plan. We sold the goods on a sale contract. The output of binders by the Minnie in 1902 would be approximately possibly 2,000 binders; maybe more, or maybe less.

44 FRANK J. OTTIS (witness for defendants):

*Attempts to Use Wire Grass for Making Twine.*

45 In 1901 I was ass't general manager of the American Grass Twine Co. of St. Paul. They made binder twine, rugs, and matting, out of grass straw, or wire grass, which was found in Minnesota and Wisconsin. It was a new business—utilizing this wire grass, and its successful use in making binding twine was seriously doubted by a great many. We never tried to interest the manufacturers of binding twine, because we had patents on the spinning machines which made the twine, but we made efforts to induce the harvester companies to use our twine. They were skeptical as to the availability of our product. The Walter A. Wood Harvester Company manufactured a knotter and used it for a time. Our twine was larger than the standard twine, and required a special knotter. We were in hopes to induce some of the companies which are now in the I. H. Co. to adapt a knotter to that twine and use it. We had several conferences, but they refused to do anything. They did not believe our twine would be a success.

46 The American Grass Twine Co. purchased, at receivers' sale, early in 1901, the plant of the Walter A. Wood Harvesting Machine Co. We thought that the twine was so good that it would sell the harvesters, and our object was to get an outlet for our twine rather than to start a harvester company, so we bought that plant from the receivers and entered on the work of manufacturing and selling binders. The experience was not a financial success. We had a great deal of trouble with the knotters, while the twine, when carried over a season, or when used on a dry day, would break and would not knot. We had to admit to our sorrow that the grass twine so far as we could perfect it at least, had not become practicable. We were pretty thoroughly convinced of that the first year, but we thought we had hit upon a new thing in treating it with glycerine, but we found when the twine got into the field that it gummed up the knotter and would

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not work. That brought us into a second harvest. Before the harvest of 1903 was over we had realized the situation; we realized it in 1902. We felt that we should abandon the grass twine knotter and manufacture knotters which would use the standard twine. To do that we had to secure more capital; failing that, we would have to shut down. Am talking about 1902. We had to get more capital to develop the plant as a harvesting business; sell it to somebody else (if we could) or close it down.

*Organization of "Minnie" Co. and Sale to I. H. Co.*

- 47 We organized the Minnie Harvester Co. in October or November of 1902, having in mind that if that plant and harvesting business was segregated and put into a separate corporation, it would be more easily handled or sold. We could not secure the capital essential to a successful business in harvesters. We then took up the matter of selling to the I. H. Co., and the stock was sold to the I. H. Co. through Mr. Cravath of New York in Sept., 1903.

*Reasons for Running Business as Independent.*

- The contract provided that the Minnie Co. should operate the business, and a guaranty as to bills receivable,—that a certain amount should be collected by a certain date; and that we were to run the business. The fact of the sale was kept from the public for several years.
- 48 The business was run as an independent, separate business for about two years; that was done to enable us to collect the accounts and bills receivable and to dispose of the manufactured and unmanufactured stuff on hand. We had guaranteed the accounts receivable of \$450,000 to be paid, at least in that amount, I think by Nov. 30, 1906. If it had become publicly known that the company had sold out to the I. H. Co., I think the effect on the collection of those bills receivable would have been very disastrous. That was our feeling at that time, when there was so much agitation in regard to affairs of that kind—that we would not have been able to collect our receivables and dispose of the goods we had. Any company that is known to have gone out of business has difficulty in collecting its bills receivable, as compared with a going concern. That was the only purpose of not disclosing

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the sale that I know of. About a year and a half prior to the date fixed in 1906, we realized the \$450,000 guaranteed; then the transfer was made to the International. It took place some time in 1905, and the sale became publicly known as soon as it could be worked out after our guaranty was made good.

- 49 I cannot give you the exact output of binders of the Minnie Co. in 1902; the total number of harvesters made during the entire four years was about 7,500; we distributed about 2,500 in 1902, something over 3,000 in 1903, about 1,500 in 1904, and probably 150 to 175 in 1905; there were some left over that we sold at that time. We did not start to manufacture until late in 1901, but for the season of 1902 we had available 2,500 binders.

*Cross-Examination.*

*Difficulty of Collecting Receivables.*

- I had something to do with the sale of the Minnie Co. in 1903. As to whether in saying that it would have been impossible to collect the receivables if the sale had been known—I am merely expressing my opinion: no, not quite that, because I acted in the first place on behalf of the Minnie Harvester Co., and did not know until afterwards that I was to work for or have anything to do with the I. H. Co. It was my opinion, as I testified on direct, that the reason the sale was kept secret was because it was the only way to collect the receivables. As to whether the I. H. Co. acquired some 40 millions or more of receivables belonging to five different companies and proceeded to collect and did collect them: I do not know that to be a fact; I know they acquired them and collected a large amount. I do not know of any case  
50 where the I. H. Co. acquired a company and the receivables, and was unable to collect them. It was the idea at the time that it would be impossible to collect the bills unless the fact of the sale were kept secret. The I. H. Co. refused to take the receivables unless guaranteed to the extent of \$450,000. This the Minnie Co. did, and the purchasers gave it until Nov., 1906, to make good that guaranty. I suppose the International would have tried to collect them if we had not. As to what makes me think the I. H. Co. could not have collected the receivables as

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well as ourselves: if the fact had been made known that the Minnie Co. had sold out, the difficulty that we had had with grass twine, the changes in the knotter, the fear on the part of the farmers that they might not be able to secure extras—all those conditions seemed to make it  
 51 advisable to keep the matter quiet until those accounts were collected. We had had a great deal of trouble with the knotter; that trouble was not over, and it was to give us a chance to make good in matters of that kind.

*Responsible for Advertisements.*

Q. You mean making good in getting your money, and not necessarily in giving repairs? A. No, we did a great deal in bolstering up the knotter, putting on new attachments in order to make them work with standard twine.

In the beginning of 1903 was Assistant General Manager of the Minnie Co., and in the latter part of that year was Manager. I presume I was responsible for advertisements published in that year, if they were published, holding out the Minnie Co. as an independent company, not connected with any trust. I know that some advertisements were put in. I tried to avoid any direct denial of the fact, but I knew that advertisements were published which would lead the public to believe that the Minnie Co. was not a part of the I. H. Co. and had not been bought up. I think I am responsible for the advertisement in the Farm Implement News of Dec. 30, 1903, which read: "You can get the Best Machines on the Best Terms and the Best Treatment and you don't have to deal with the trust. You do not have to deal with the trust. We are Here to Stay." Same advertisements were put in on Dec. 17 and 24. They were to assist us to collect bills and accounts receivable which we had guaranteed and to carry on the business.

*I. H. Co. Still Furnishing Extras for Old Machines.*

52 Statement "We are here to stay" might have been a mental reservation—the idea that the I. H. Co. had agreed with me that they would furnish extras for every machine that was out; and I know, of my own knowledge, that they have lived up to that, and they are still furnishing extras for those old machines at great expense. We were very glad to sell the company to the I. H. Co. at

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that price, because we could not secure capital to continue it.

R. F. BALL (witness for defendants):

*Walter A. Wood Sales, 1892 to 1894.*

I was Auditor of the Walter A. Wood Harvesting Machine Company of Minnesota in 1892, 1893 and 1894. In 1892 they built about 8,000 binders; in 1893, 14,000, and in 1894 they dropped to 2,600.

## I

(LARENCE S. FUNK (witness for petitioner):

*Appraisal of Minnie Plant.*

- 53 In the summer of 1903 I visited St. Paul to appraise  
the Minnie Harvester purchase. I was acting for the  
executive committée of the I. H. Co. I met Thomas  
54 Ottis, President, Frank J. Ottis, Secretary, and Mr. Early,  
Sales Manager, of the Minnie Co. The interest of the  
I. H. Co. in the Minnie Co. was not made known gener-  
ally until some time later, and during that period the  
55 Minnie was in business under its own name. The Minnie  
Co. was making binders to a very small extent.

*Cross-Examination.*

*Attempt to Manufacture Binder Twine of Flax Straw.*

- 62 The Harvester Co. conducted very extensive experi-  
ments at the Minnie plant at St. Paul, trying to make a  
binder twine from flax straw. This work began within a  
year after the International bought the plant, and has  
been carried on very extensively and a very large amount  
of money has been sunk. We found that by exceedingly  
careful preparation and very careful handling by spe-  
cially designed and expensive machinery, fairly good  
working twine could be made, but there was enough sacch-  
arine matter left in the fibre to attract crickets and grass-  
hoppers, which ate the stuff about as fast as we could  
put it out; so the enterprise was a failure for that rea-  
son. We spent over \$1,000,000 in trying to develop the  
industry in flax binder twine. The work was carried on  
8 or 9 years. I think the Deering Co. before had done

I

some experimenting in it, but because of the expense they did not have the courage to tackle it in a broad way.

- 63 In order to make the twine impervious to crickets and grasshoppers, we hired chemists and sent samples to laboratories of different agricultural colleges and to the Department of Agriculture at Washington. We offered substantial rewards to any one who could make the twine bug proof. This twine was produced from American grown flax at a price much less than the cost of making twine from imported fibres. Flax has been largely grown in Minnesota, and under the Minnesota methods of farming, has been largely a waste product; the farmers burn it to get rid of it. That was the thing that appealed to us particularly, the utilizing of practically a waste product, for which we could afford to pay the farmer a substantial amount if we could work it into twine, and sell them the twine cheaper than that made from the imported fibres. I think during the years the International operated the plant at St. Paul for that purpose, 10,000 or 12,000 tons of that twine was made and distributed to the farmers. We are constantly hunting for an American grown fibre from which twine can be successfully made, but have not yet been able to find it.

*Re-direct Examination.*

- 66 Broadly speaking it is not new in the trade for manufacturers of agricultural machinery to spend money in trying to develop business or make improvements; but it was very new in the trade for one manufacturer to be willing to gamble \$1,000,000 on an experiment of making flax twine.

- Before the binder was perfect, many improvements were made from time to time and manufacturers were  
67 spending money for improvements, just as the I. H. Co. is now. The Appleby knotter resulted from long years of experimentation. I don't think Appleby spent large sums. He was a poor man.

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- 52 H. L. DANIELS (witness for defendants):

*Purpose to Use Cheaper and Home Grown Material.*

I am in charge of the Fibre Department of the I. H. Co. As to the work done prior to 1902 in an experimental

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53 way to find a way of making a practicable binding twine from flax straw: The McCormick Co. had been and were then making experiments. The Deering Co. had made very active experiments for several years longer than the McCormick Co.

One object was to secure a cheaper material; the other a home grown material rather than an imported one. The large proportion of the flax grown in this country is in the Northwest, from Iowa north. The McCormick experimental station was at the McCormick plant in Chicago; the Deering experimental plant across from the Deering plant in Chicago. William Deering used an assembling warehouse at Harmony, Minn, in connection with his plant.

*Large Warehouse Space Required.*

54 The I. H. Co. carried on this experimental work of trying to make a practical twine from flax. The requirements of warehouse room with flax are much larger than any other form of twine making, because you get only 10 per cent. or less of the crude material into your finished product. A consideration in determining upon a plant for the manufacture of twine from flax would involve as one of the elements a large warehouse capacity and storage room. Because of large waste product the plant must be located near the center of the flax raising country to save freight on 90 per cent. of the straw. The plant of the Minnie Harvester Co., because of the storage requirements and being in the heart of the flax country, was adapted to that business. I do not know exactly the storage capacity. At one time we had 44,000 tons of flax straw at the plant, and 10,000 tons of that on the outside; we did not have room for it in the building.

*Extensive Experiments in Making Flax Twine.*

55 In 1905 the International Flax Twine Co. was organized and took over the property of the Minnie Harvester Company. I do not know when the I. H. Co. became interested in the Minnie. The I. H. Co. organized the International Flax Twine Co. to go into the flax twine business, and that company tried from 1905 to 1911 to manufacture binding twine from flax straw. The plant is still operated, but not with flax. The company entered upon the work of making flax twine in a large and extensive



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way. We organized a campaign of education; furnished seed to the farmers who would sow flax for that purpose, and worked up much enthusiasm in regard to its cultivation by those methods. The extent of our operations is fairly reflected by the storage of 44,000 tons of flax straw there at one time—well up towards 4,000 carloads. For those three years we made binding twine out of flax straw, and a great deal was used.

*\$1,500,000 Expended, but Result a Failure.*

- 56 The result was unsatisfactory. The twine, while it worked well in the machines at the time the grain was bound, was not reliable; insects ate it, and it disintegrated under conditions of weather and atmosphere, and the grain did not hold together well. For that reason the twine was not successful. We constantly made extensive experiments to improve the product and get rid of the elements that were reducing it to cricket food. The result can all be summed up in the words that it was a failure. It was thoroughly demonstrated that we could not make binder twine from flax straw, and I do not believe it can be done. The International spent in its endeavor to make a practicable binder twine from American flax straw more than \$1,500,000, and all of that amount represents its loss.

*Cross-Examination.*

- 57 We spent that \$1,500,000 in the expectation that we might make considerable more than that if our experiment proved successful. If Mr. Funk testified that the I. H. Co. spent about a million on the experiment, I do not know what he based his figures on. I am painfully aware that the Comptroller has told me that those experiments ran into that sum.

I had something to do with the purchase of the Minnie Plant—nothing with the negotiations resulting in its purchase in the fall of 1903. I think I knew of the purchase at that time. It was two years after 1903 before we used the plant for the manufacture of flax twine. In 1907 we had the largest amount of straw. I have been in twine business many years, and am familiar with the agricultural implement business generally. This is not the first time manufacturers lost money on an experiment. There have been a great many unsuccessful experiments.

## IV

## WEBER WAGON PLANT.

- 187 (Pet's Exh. 32-A.)—Agreement dated Nov. 12, 1904, between H. Weber, W. H. Weber and George Weber, vendors, and I. H. Co., purchaser, provides for the sale of 80 per cent. of the capital stock of Weber Wagon Co., capitalized at \$500,000, and owning a plant at Chicago; the price to be fixed after taking inventories; and for an option to purchase the remaining 20 per cent. on or before Jan. 1, 1910, at the same price plus interest. Vendors assume all liabilities on Nov. 12, 1904, except certain liabilities for materials, salaries, etc. Vendors not to engage in manufacture or sale of wagons for 15 years except in Rhode Island and Delaware.
- 195 Pet's Exh. 32-B, 32-C and 32-D.—Two deeds, Sept. 2, 1905, and Dec. 15, 1905, from Weber Wagon Co. to I. H. Co. and assignment, Sept. 2, 1905, Weber Wagon Co. to I. H. Co.

## I

## CLARENCE S. FUNK:

- 55 The Weber Wagon Co. was purchased in August, 1905. The Kemp Spreader purchase was made in November, 1906. The Bettendorf Axle Co. was purchased in July, 1910.

## III.

## NO MONOPOLIZING METHODS OR PRACTICES.

## 1. PATENTS.

*Charge of Petition.*

“Defendants have systematically bought up patents upon harvesting machinery, tools and implements, and acquired all new inventions therein, in order thereby more effectually to perpetuate the combination and monopoly hereinbefore described.” (Pet., p. 23.)

*The Evidence.*

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## 313 JOHN F. STEWARD:

I am an inventor, a mechanical engineer in agricultural lines and patent expert, and have studied harvesting inventions and patents for 48 years. Between 1865 and 1902 was devoting my attention to the development of harvesting machinery and incidentally to patent matters. The binding attachment using twine was the first successful machine approaching perfection in 1880, when we put out successfully 3,000 twine binders.

*In 1902 All Basic Harvester Patents Had Expired.*

In 1902 all basic patents covering any important feature of the self-binding harvester had expired. In 1885 there had been 9,000 patents granted on grain and grass harvesting machinery; they had all expired in 1902. Since that time, any one who had the capital and the mechanical skill and organization could make an efficient self-binder as good as the best without infringing any patents.

317 I have several times seen the binder made and sold during the last few years. Deere Company's binder is an aggregation of parts largely of the Deering and McCormick machines. The reel at both ends of its support is practically the McCormick; the binding attachment that of the Deering; it follows more largely the Deering type

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than the McCormick. The grain adjusting device, the butter extension, the knotting devices and the headboard of the binding attachment are of the Deering type. The tubular cutting apparatus is of the Deering and McCormick type; seat support is of the Deering and McCormick type; the wind shield is of the McCormick type. The main supporting and traction reel is of Deering type. There are lesser forms of devices that were borrowed from one or the other of the two machines.

I have examined the binder of the Independent Harvester Company to determine its origin and construction. The reel is of Deering type; the wind shield is of McCormick type, and the bundle carrier Deering type; the knoter is largely of the Deering type.

- 381 Unquestionably I could, without infringing any patent under which I. H. Co. binders are made, build a binder as good and efficient as any of the I. H. Co. brands.

*I. H. Co. Bought Patents Only for Use.*

- 324 The I. H. Co., during the past ten years, has purchased few patents—none that we did not buy to use—and it has not used its patents for the purpose of litigation.

JOHN F. APPLEBY:

*No Patents in 1902 Covering Essential Parts of Binders.*

- 376 I have been familiar with whole course of harvesting machinery in the U. S. during the past 40 or 50 years; was working for the Deering Co. in 1900 and 1902, when the I. H. Co. was organized. At that time there were no  
377 patents of any sort covering any essential or important part of the complete binder harvester machine. Anybody with skill could have built any kind of a binder without interruption at that time. I, myself, made as good a binder as any then in existence, and better.

I was connected with the I. H. Co. for about one year building a 12-ft. harvester and binder—binding header and binder. For the last 10 years have been experimenting on cotton pickers, chiefly. At present am engaged in manufacturing cotton pickers at Davenport. We are just beginning on harvesters, binders, shockers, traction machines and farm engines. My company is the Western Implement & Motor Co. We have recently built an-

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other binder harvester; I will complete it within a month, I guess, shocker and all complete. When finished I expect it will be better than any binder harvester now in existence. It will infringe upon no patent or any feature it embodies, that I know of.

From my experience and knowledge of the harvesting machine business, I feel that the field for making and  
378 selling harvesting machinery is free and open. I propose to go into it again. I know of no obstacles or obstructions to my doing so.

*Cross-Examination.*

The essential patents on the Appleby knotter were sold, after I had licensed a great many companies, to  
379 Whiteley, Fasler & Kelly, of Springfield, O. I licensed the McCormick Co. in the early stages; and the Appleby Binder Co., as we were called at that time, licensed the Plano Co. and Champion and Milwaukee Companies.

The Western Implement Co. was organized a little over a year and a half ago. J. E. Bermeister, a Davenport man, and W. M. Smith were founders of it. A machine has been made for a long time that cuts, binds and threshes the grain. My company has nothing to do with it.

**GLASS' CHARGE OF FALSE STATEMENTS BY I. H. CO. EMPLOYEES.**

## III

358 ALBERT J. GLASS (witness for petitioner):

*Statement Made by Two International Employees.*

Our company brought two suits in 1903 and 1904  
359 against certain men employed by the International. I do not recall the names now. It was reported to me that these men were saying to our agents and customers, "It is foolish for you to continue selling the Adriance machines as the International has bought that factory and will take it over in a year or two." We heard those reports so continuously that we finally picked two cases where we could produce the evidence that they had made such statements, and brought suit for \$10,000 damages. The men very soon made abject apologies and paid the

III

costs, and we dropped the matter. That sort of stories were discontinued from that time on.

XII

274 M. E. McCULLOUGH:

*Statement Made Without Authority and Never Approved.*

I was the International General Agent at Elmira, New York, when suit was brought by the Adriance-Platt Co. against two of my traveling representatives in 1905, for damages because of alleged statements that the plaintiff had been acquired by the I. H. Co. and was to be taken over soon. These men, if they made such statements, did not make them by my authority or direction, nor did I have any knowledge of it. I in no wise directed, instructed or authorized any of my salesmen to make any such statements and had no knowledge at any time that any of my salesmen were making any such statements. When these men were sued by the Adriance-Platt Co., neither I nor the I. H. Co. defended the suit for them, or paid any of the  
 275 costs or had anything to do with it. We in no wise ratified or approved anything these men had done, if they did make such statements as that.

*Cross-Examination.*

*Employes Discharged.*

One of these men was named William Harrison and the other, I believe, was John Childs. I became acquainted with the fact that they were being sued shortly after the papers were served upon them. I discharged them shortly afterwards. As nearly as I can remember Mr. Harrison was discharged in July and the other man shortly after that time or before. I am sure they were discharged because they made those statements. This was  
 276 in 1905 and they were discharged in the same year. I cannot say as to whether these men have been employed by the I. H. Co. since that time; I was transferred from Elmira in 1908. The canvassing season had not expired before they were discharged; it never expires.

**M. H. LAMB'S CHARGE OF DISCRIMINATORY PRICES TO  
INJURE COMPETITORS.**

II

M. H. LAMB (witness for petitioner) :

In 1903 I was general agent of the McCormick Division of I. H. Co. at Sioux Falls. The former general agencies of the Deering, Milwaukee, Champion, Plano and McCormick Companies at that point became separate divisions of the one company. In 1903 there was very little, if any competition in this territory between these five divisions in binders, mowers, reapers and rakes.

Trade conditions differed in 1903 from 1902 in regard to trading in old machines. In 1903 we would not allow anything to a local agent for old machines traded for, and we had been in the habit of allowing something for them by way of direct discount, or giving him an extra canvasser, or paying half the salary of a man working for him, or in not being so careful about the free list on repairs. We were directed to be very careful about the free list in 1903.

Before 1903 our prices to dealers on McCormick machines varied according to competition in different towns. After 1903 the prices were the same to all dealers with the exception of one or two places. The 1903 price was our regular 1902 price, either \$95 or \$100. We varied from this prior to 1903.

*Prices at Madison, S. D., and Rock Rapids, Ia.*

At Madison, S. D., in 1903 prices varied. The Minneapolis harvester was doing a large business there; also some business at Woonsocket. I made a price of \$75 to Goldstein & Waskey, dealers at Madison. They had been agents for the "Minnie." That was either \$20 or \$25 below our regular price for 1903.

My settlement with the Harvester Co. at the end of the year showed the transactions.

We also varied from our regular 1903 prices to meet competition of the Minnie Company at Rock Rapids, Iowa. It was not doing as much business there as at Madison. I made a price of \$80 or \$85. I sold between 75 and 100 machines to those dealers at Madison for \$75—a very large sale for a town. I do not recall any other instances in which we varied from regular prices.

II

I do not know what happened to the Minnie Company in 1903.

*Cross-Examination.*

329 I could not answer now how many binders the Minneapolis Harvester Company sold in 1903 in my territory, nor how many were sold by the Acme people. It was the duty of our district agents to get the number of machines sold in their respective blocks by competitors and  
330 report to us. That report was forwarded to Chicago with my settlement. I cannot recall the number of mowers sold that year by different manufacturers in that territory. I had within that territory between 140 and 150 agents. Outside of the McCormick agents I would say there were about twice as many agents handling agricultural machinery in my territory as we had agents. In some towns where we had no agent other people did.

There was more liberality in paying for old machines  
331 before 1902 than afterwards. The average life of a binder on the farm prior to 1902 was five, six or seven years; I do not know what it is today. It is no better today than it was then. In 1898, 1899 and 1900 there was tremendous pressure of sales which resulted often times in farmers buying new machines and turning in old ones, when the old ones still had good life in them. That condition existed up to 1905 when I quit. There was no change that I know of.

Before the I. H. Co. was formed the prices of the McCormick binders varied where the competitor sold at a lower price. It was as if a wholesale grocer in St. Louis doing business throughout the state, should meet the competition of a local jobber at Jefferson City, by lowering  
332 his price to meet that of the competitor. That was not done by the McCormick Division except in the two instances.

I am not hostile to the International Harvester Company.

*Re-direct Examination.*

I was subpoenaed. The 140 agents referred to were of the McCormick Division only. In the same territory  
334 in 1903, all of the other agents that I have named were agents of the other different divisions. There are on an average two, sometimes three agents in a small country town of a thousand inhabitants.



## II

*Re-cross Examination.*

- 340 My attitude as a witness is one of perfect fairness to the I. H. Co., but as to Legge (General Manager of I. H. Co.) no. I have a divided mental attitude in this lawsuit as a witness; if I can hand it to Legge I am going to do it.

## DEFENDANTS' EVIDENCE CONTRADICTING M. H. LAMB.

## VIII

## GEORGE WASKEY:

- 528 Have been in the retail implement business at Madison, S. D., since 1891. My firm of Gulstine & Waskey was in  
530 business since 1900. In 1902, 1903 and 1904 they handled the Minnie and Acme harvesting goods. I did not handle a dollar's worth of I. H. Co. in 1902 or 1903.

I know Michael Lamb. He was, in 1902 and 1903, the general agent at Sioux Falls of the McCormick division. The I. H. Co.'s harvesting goods were not handled by my firm in 1902, 1903 and 1904. The I. H. Co. could not have through Michael Lamb or any one else given to us in 1903, a reduced price on any harvesting machinery because we did not buy a cent's worth of them. There is absolutely no truth in such a statement if made. It is a positive falsehood.

*No Reduced Price Given by International.*

- 531 My firm began business with I. H. Co. in 1906. It has never given us a reduced price on any implements. Before 1902 Lamb was the Sioux Falls representative of the McCormick Co. for one or two years; and I bought McCormick binders from him at a different price than the regular price. They were undoubtedly sample machines, picked up in the South, showing bolt marks and rust; in fact almost junk; few of them packed, just thrown loose in the car. It required a considerable extra labor to get them together and to make them work. They were a low quality of machines, and that was the consid-  
532 eration of the low price. That was in 1901 before the I. H. Co. was organized.

*Cross-Examination.**Handled Minnie and Acme Binders Until 1905.*

We handled the Minnie binder from 1892 as long as manufactured; until 1905, I think; and the Acme in the same years. As to whether I was opposed to the I. H. Co. on the ground that it was a trust, that is not the reason we did not do business with them.

As to whether I felt that it was harmful to the dealer and farmer that all the manufacturers should be combined into one company, I can't say that they were all combined. There were other machines. We did not handle the International machines. We handled the Minnie and Acme.

533 As to whether I was pushing the Acme and Minnie binders in those years on the ground they were not manufactured by the International, will say it was our business to push them; that was the only reason. I do not remember that we urged the farmers to buy those machines because not manufactured by a Trust. We sold them on their merits. That is the way we usually sell goods.

I do not know that the Minnie was acquired by the International in September, 1903. I did business with it two years after Sept., 1903. I sold no Acme binders in 1912; we could not get any. I sold no Acme mowers and  
534 one or two Acme rakes. I consider myself an Acme agent; have a contract with them today. I sold 18 to 20 International binders last year, 8 or 10 International mowers, and 5 or 6 sulky rakes. I am an agent in good faith for the Acme. I sold 4 or 5 Acme binders in 1911 and 15 or 16 Deering

I met Lamb in 1900, 1901 and 1902. I have my dealings directly with the general agent today; orders are taken through the blockman. I have signed contracts here in Sioux Falls, but most always the blockman brings them. I have discussions every year with the general agent here about it. Madison is forty miles from here. The Minnie binder was all right.

*Re-direct Examination.*

Last year I had some orders for the Acme binder and I took it up with the transfer man here in Sioux Falls. He told me he would take it up with the general agent at Aberdeen, who wrote that they were absolutely sold

## VIII

535 out and could not furnish the machines. Consequently,  
I had to substitute something else.

## XIII

404 A. E. BOWRING (witness for defts.):

*McCormick Prices at Rock Rapids, Ia., in 1903.*

I am general agent of the I. H. Co. of A. at Sioux Falls,  
405 S. D. Rock Rapids, Ia., was in the Sioux Falls general  
agency in 1903. I produced from the files of the I. H. Co.  
at Sioux Falls a contract with William Wilka at Rock  
Rapids.

I know the signature of M. H. Lamb, to Defts' Exh. 180.

## XIV

Said exhibit is a regular 1903 commission agency con-  
tract between I. H. Co. of America and Wm. Wilka, of  
Rock Rapids, Iowa, dated Apr. 28, 1903, and signed for  
the I. H. Co. by M. H. Lamb.

The prices named therein are:

|     |                                               | Net     | Net     |
|-----|-----------------------------------------------|---------|---------|
|     |                                               | Cash    | Time    |
|     |                                               | prices. | prices. |
| 323 | McCormick grain binder, 5 ft., with carrier.. | at \$95 | \$100   |
|     | Grain binder, 6 ft., with carrier.....        | at 95   | 100     |
|     | Grain binder, 7 ft., with carrier.....        | at 98   | 103     |
|     | Grain binder, 8 ft., with carrier.....        | at 110  | 115     |
|     | Transport truck .....                         | at 5    |         |
|     | Corn harvester, with carrier.....             | at 95   | 100     |

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Defts' Exh. 181 is a correct copy of the company's  
405 Sioux Falls property ledger for 1903, so far as it relates  
to the sales of William Wilka at Rock Rapids, Iowa, in  
1903.

406 "McCormick" Sales.

1—7' L. H. binder.

1—Tongue truck.

1—5' V bar mower.

1—6' new Big 4 mower.

4—10' x 26 Th. S. Dp. rakes.

1,400 lbs. American twine.

407 Defts' Exh. 182 is a complete statement from the ledger  
and journal showing the entire account of Wm. Wilka of  
Rock Rapids for 1903:

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Sales per Sett. 7/22/03

|                                  |                   |                |              |
|----------------------------------|-------------------|----------------|--------------|
| 1—7' L. H. Binder,               | List 125.00       | Commission     | 40.00        |
| 1—Tongue Truck,                  | " 10.00           | Farmers' Notes | 234.00       |
| 1—6' V Bar Mower,                | " 47.00           |                |              |
| 1—6' New Big 4 Mower,            | List 52.00 234.00 | Balance Due    | 328.60       |
| 4—10' x 26 Th. S. Dp. Hay Rakes, | net, 72.00        |                |              |
| 1400 lbs. American Twine,        | net 147.00        |                |              |
| Repairs                          | net 149.60        |                |              |
|                                  | <hr/> 602.60      |                | <hr/> 602.60 |

Mr. Bowring: The binder sold by William Wilka, it appears, was a 7-ft. binder. It is entered at \$125,—the retail price at which the dealer sold to the farmer, accounting to us for the difference between it and the net price.

I was general agent for the Company in 1903 at Sioux City, Iowa. During that year in my territory there was no special drive made against the Minnie Harvester. Our Division did not use as many canvassers in 1903 as we did under the old system in 1902. We did not during 1903 at any time increase the number of canvassers we had in our territory.

*Cross-Examination.*

The local dealer is our agent, practically. The commission on this binder to the local dealer was \$25; the commissions are shown as \$40, but that includes commissions on two mowing machines. There were other agents selling the McCormick lines near Rock Rapids in 1903; three in the surrounding towns. I was not general agent at Sioux Falls in 1903, and did not deal in 1903 with the dealers at Rock Rapids. M. H. Lamb was general agent and Mr. Espy assistant.

98 (LARK F. ESPY:

In 1903, was general agent for the Deering Division of the I. H. Co. at Sioux Falls, South Dakota. Rock Rapids, Iowa, is within that agency territory. J. F. Nagle was the dealer at Rock Rapids, Iowa, who, in 1903, handled the Deering line.

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*Deering Prices at Rock Rapids, Ia., in 1903.*

99 Defts' Exh. 75 is the original contract with Mr. Nagle for 1903. The prices therein named were adhered to in the business that year. They were the regular prices that applied to the entire territory.

## XIV

320 Defts' Exh. 75. Deering Division. (1903) I. H. Co. of  
321 A. Commission Agency Contract with J. F. Nagle, Rock Rapids, Ia., states the following net prices:

|                            | Net<br>price each<br>for cash. | Net<br>price each<br>for notes. |
|----------------------------|--------------------------------|---------------------------------|
| Deering Ideal Binder 5 ft. | 95.00                          | 100.00                          |
| Deering Ideal Binder 6 ft. | 95.00                          | 100.00                          |
| Deering Ideal Binder 7 ft. | 98.00                          | 103.00                          |

XIII Mr. Espy: We did not employ as many canvassers in  
99 the Sioux Falls agency in 1903 as in 1902. There was no special effort made against the Minnie Co., its machines or dealers in 1903. There were no special canvassers employed in our territory with respect to dealers handling the Minnie.

*Cross-Examination.*

At present I am a blockman for the I. H. Co. I am  
100 located at Dubuque, Iowa, general agency. I left the employ of the International about Dec. 1st, 1903, and was re-employed about Feb. 20, 1912; during interval part of the time was unemployed, due to ill-health; part of the time I was in private business. The year of this Rock Rapids contract I worked only for the Deering Division and had no connection with the McCormick Division. I was general agent. My superior was Mr. Haney of the Deering Division at Chicago. I received my instructions from him; none from the McCormick Division. I think there were two other dealers in Rock Rapids in 1903, one  
101 handling the McCormick lines. As to whether the third carried the Minnie I cannot say absolutely whether there was a contract covering that, but one of the dealers sold the Minnie binder. If I remember correctly Nagle sold 13 binders under this contract in 1903.

## SWIFT'S CHARGES REGARDING KANSAS LEGISLATION.

I

R. B. SWIFT (witness for petitioner):

427 I was with the Harvester Company for three years.

The first two years the Harvester Company's commission agency contracts with dealers had a clause forbidding those handling our grain binders, headers, corn binders, huskers, shredders, reapers or mowers from handling similar competitive articles. That provision, in many instances, was protested against for years before the International Harvester Company was formed; it was protested against afterwards.

Late in 1902, or early in 1903, a bill was introduced in Kansas prohibiting contracts having exclusive clauses. I went to Kansas in regard to it early in 1903.

Mr. Grosvenor read as follows from the Executive Committee's minutes of I. H. Co. of A. of Feb. 7, 1913:

"Mr. Cyrus Bentley and Mr. W. J. Calhoun were present and the situation in Kansas was fully discussed. It was decided that the General Counsel and Mr. Calhoun should arrange to have Mr. R. B. Swift go to Topeka immediately to do whatever is best for the interests of the Company and to report thereon."

I was instructed by Charles Deering and Cyrus McCormick to go to Kansas in regard to this bill and see that it was fixed. I went to Kansas City and found who introduced the bill, ascertained his financial condition and then went to a Topeka firm of attorneys, Rossington, Husted & Smith.

I found the introducer of this bill was hard up and had not paid his stenographer for three to five months and that he had introduced it to hold somebody up. My recollection is that Smith came from Topeka and I told him what I had learned. He told me he thought Rossington was the better man at that work. I went to Topeka, saw Rossington and explained what I knew about the matter. He said it could be attended to; before I left I was told it had been sidetracked and would not be heard from for a while.

I stayed in Topeka about two days then reported at Chicago to Cyrus McCormick. My recollection is I told him that I thought the matter was only a

I

hold-up game. I did not tell him we were going to pay for it. My recollection is that Charles Deering was there  
 431 or that I told him later. I told McCormick I retained attorneys and went into the matter reasonably fully.

The Topeka lawyers reported that the matter had been put aside. They rendered an \$8,000 bill and Rossington came to Chicago because it was not paid and asked why in blazes it had not been. He said he had used the money  
 432 to defeat this measure. I told Charles Deering that Rossington was here and wanted his bill paid, which it then was. I said to Deering that Rossington had stated he had used some of the money for another purpose and wanted it. The bill did not go through at that time.

I saw Cyrus Bentley and W. J. Calhoun in the former's office about what means should be taken to get it out of the way. I remember that Bentley said he did not  
 433 want anything done not perfectly straight and fair. I recollect telling Mr. Bentley after I returned that the matter had been turned over to this law firm. It is rather hazy.

While I was with the Harvester Company it was interested in other legislative matters and to employ attorneys in such matters was not unusual, but it was usual  
 434 for attorneys to arrange it as they did in Kansas.  
 435

XIII

1 CHARLES BLOOD SMITH (witness for defendants):

I have been a practising lawyer at Topeka forty years. In the winter of 1903, I was a member of Rossington, Smith & Husted.

I received a telegram from W. J. Calhoun in Feb., 1903, concerning an investigation of the I. H. Co. before the Legislature of Kansas. I received a personal telegram and one directed to the firm. I have them here.

2 Two telegrams, both dated Feb. 7 from W. J. Calhoun, one addressed to Mr. Smith and the other to his firm, are introduced. Each requests that Rossington meet R. B. Swift at Kansas City on Feb. 8th.

3 After receiving them, I 'phoned Rossington and found he had received a similar telegram.

Rossington and I went to Kansas City and went to the McCormick Building, where I met Mr. Rodney B. Swift. He, or somebody, said a resolution had been passed

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by our legislature directing an investigation of the I. H. Co. of A., a committee had been appointed and were to meet the next morning—Monday, and that witnesses had been subpoenaed to appear. They wanted some advice as to the matter.

He did not then say anything concerning a bill prohibiting exclusive commission or sales contracts. There was no such bill then pending, as I recollect. He did not ever say to me he wanted such a bill sidetracked or fixed, or words to that effect.

We returned Sunday evening to Topeka and Monday morning received the letter from Calhoun, which I produce.

- 4 This letter dated Chicago, Feb. 7, 1903, states that Rossington or Smith be at Kansas City tomorrow to meet R. D. Swift. A number of manufacturers of harvesting machinery were consolidated into one company, known as the International Harvester Company; that the Kansas legislature has appointed a special committee to investigate several questions pertaining to this company, and has subpoenaed a Kansas local agent of the company for next Monday to testify in regard to such organization.

The International Harvester Company proper is not doing business in Kansas, and is a manufacturing corporation holding title and operating factories formerly belonging to the McCormick, Deering, Plano, Champion and Milwaukee Companies. Its plants are all in Illinois, except one at Milwaukee and one at Urbana, Ohio.

- 5 Subsequently to the incorporation of the I. H. Co., an arrangement was entered into between it and the I. H. Co. of A., whereby the latter buys all or most of the harvesting machinery made by the I. H. Co. The I. H. Co. of A. has entered Kansas and deals in harvesting machinery. It is entirely separate and distinct from the I. H. Co. Its only relation to the latter is that of a purchaser and dealer in its manufactured product.

This legislative investigation we think is prompted by a certain party, a former representative of one of the constituent companies of the present organization. He was let out of the new company's employ; and therefore has a grievance. We understand he has made threats that he would injure the company.

Owing to the labor incident to the organization of a



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company of this kind, and getting its affairs into running order, the company's officers have been so busy that they have paid but little attention, or no attention, to the action of the Kansas legislature.

Our attention was only called thereto about one o'clock this afternoon. The company received a letter from a Mr. Jenkins, acting as secretary of this legislative committee, asking if some of the company's officers would appear before it next Wednesday. The writer's advice was to employ eminent local counsel, familiar with the local conditions, and take his advice before deciding upon any definite policy. We do not care to jump into a bramble bush until we determine how dangerous it is. The situation requires diplomatic handling and we send to-night R. B. Swift. It is thought best that he stop at Kansas City, for he might be subpoenaed to appear before the committee; and we did not care to have him do that until we were thoroughly advised as to the situation.

While there is nothing in the company's organization which causes it to shrink from investigation, yet it does not care to have its affairs exploited before a legislative committee without knowing about the purpose and spirit of the investigation. If it is to gratify some one's malice, or hold some one up, we might be prompted to act differently from what we would if it was a fair, honest and well-meaning investigation.

We think likely you will have to appear before the committee with the witness on Monday. We understand he is somewhat talkative, and without proper guidance might be led to assume to tell something he really knows nothing about. All he can truthfully say is that he is a representative of the I. H. Co. of A. Without guidance he might testify as facts what are simply inferences on his part.

Just what action we will take will be determined on your report and advice as to conditions prevailing in your state.

The Witness: When I met Swift at Kansas City, on Feb. 8, 1903, Rossington was present.

Swift did not intimate that he sought our employment as lobbyists. I did not say to him that Rossington was the better man at that sort of work, or words of that sort. I did not have much to do with the hearings before the committee. Rossington took charge and was occupied

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all during the rest of the session with the proceedings before this committee in connection with the matter.

I have copies of the resolutions.

The first resolution, Senate Concurrent Resolution No. 7, was confined entirely to whether the company had a right to do business in the state.

- 8 The other resolution, known as Resolution No. 21, provided for an investigation as to whether they were violating the anti-trust law.

I have certified copies from the office of the Secretary of the State, of the history of both resolutions. They are in substance as follows:

*History of the Legislation.*

- 8-14 Journal History of the Kansas Senate and House duly certified by the Secretary of State of Senate Concurrent Resolution No. 7 of 1903. It shows that this resolution was introduced Jan. 20, 1903. It provides for a Special Committee to investigate whether the I. H. Co. of A. has complied with the state statutes so as to have a right to do business in Kansas. The senate docket shows the resolution was adopted on Jan. 21, 1903. On Jan. 22, 1903, the House was notified of the Senate members of the Committee and on Jan. 26, 1903, the Senate was notified of the House members.

On March 5th the committee reported to the House that the I. H. Co. of A. had complied with the laws of Kansas and was entitled to do business in that state. It also reported on the same day under resolution 21 (an abstract of which follows) that the I. H. Co. was not doing business in Kansas and the I. H. Co. of A. has not violated the anti-trust laws of Kansas; that the prices of binders averaged \$2.60 higher but that the material used in the manufacture had advanced largely, indicating that the prices have remained about the same. This report was adopted the same day.

The same report by the same committee was made to the Senate on March 4, 1903, and adopted.

- 15-17 Journal History of Senate Concurrent Resolution No. 21, duly certified by the Secretary of the State of Kansas.

It shows that this resolution was introduced Feb. 2, 1903, and that the same committee appointed under Resolution No. 7 should investigate whether the I. H. Co. of

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A. is a combination void and against public policy. The resolution was adopted by the Senate the same day and adopted by the House on Feb. 3rd. The committee reported on March 5, 1903, see, *supra*, p. 278.

*No Lobbying; Only Legal Services Rendered.*

17 Mr. Smith: That investigation continued through the session and the report was submitted a day or two before the legislature adjourned. I do not know how many witnesses were called and was not present at the proceedings before the committee.

A bill was introduced in the session, known as House bill No. 800, relating to exclusive sales or agency-contracts ten days or two weeks after we had been employed.

*Services Rendered by Rossington & Smith.*

We were requested by some one representing the company to examine into the bill and present an argument before the judiciary committee. We prepared a brief and argued before that committee. The House bill was reported adversely by that committee. The author had placed it upon the calendar and notwithstanding the adverse report by the House committee, it passed the House.

A similar bill was pending before the Senate. We prepared an argument and submitted a brief before the Senate judiciary committee. The House bill was substituted for the Senate bill in the Senate. The bill was stricken from the calendar on the last day of the session.

We rendered no service in relation to either of these bills other than appearing as attorneys on legal grounds both before the committee and joint committee of the House and Senate.

Not a word was ever suggested about lobby work.

18 We did nothing of the kind. Neither my firm nor Rossington would have accepted employment under any such basis as suggested in the language of Mr. Rodney B. Swift, that they wanted the bill side-tracked or fixed.

*Bill Prohibiting Exclusive Clause.*

18-23 Defts' Exh. 74.—House Bill 800, 1903 session of Kansas legislature; copy of the reports of the judiciary committee of the House and Senate; journal history of the bill; all of these were duly certified by the Secretary of State.

House Bill 800 prohibits the making of exclusive agency

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or sales contracts and provides no recovery may be had on such contracts. The bill was introduced on Feb. 18, 1903, and referred to the Judiciary Committee, which on Feb. 20, 1903, referred it back with the recommendation that it be not passed. It was, however, passed by the House on March 2, 1903.

The Senate referred the bill to the Judiciary Committee on March 2nd, which on March 5th reported that it was unconstitutional, whereupon the bill was stricken from the calendar.

MR. SMITH (continuing):

24 I thought the committee made no report, but Defendants' Exhibit 74 contains the report of the committee. It follows our brief but makes no recommendation.

Our appearance in relation to the bill prohibiting exclusive sales or agency contracts was never discussed or mentioned by Rodney B. Swift. My interview with Swift at Kansas City was ten days or two weeks prior to the introduction of this House Bill No. 800. I do not recall  
25 seeing Swift, or talking with him since. I took no action with respect to either of these matters other than as counsel in the conduct and practice of my profession. Rossington died on July 19, 1909.

*Cross-Examination.*

My firm was employed by the I. H. Co. in respect to two separate matters pending before the Legislature in February, 1903. One of these matters was a bill designed to prohibit the so-called exclusive clause in contracts the I. H. Co. made with the local agents. That was our last employment, it was one of the two matters.

I think that on the last day of the session, the bill relating to the exclusive clause was stricken from the calendar on motion of Senator Ward, who was a member of the committee having the other bills in respect to which we were also employed. The last day of session was four or five weeks after our employment.

26 I believe there is now a law on the statutes of Kansas prohibiting the use of exclusive clauses. I do not remember when it was passed.

In the investigation of the I. H. Co. I know there were several hearings. I do not know whether any, and if so how many, witnesses were examined. I do not know how many days Rossington attended such hearings.

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We made a gross charge against the company. We have no record or detailed statement in our office showing the number of days or the matters in respect to which we gave service for the I. H. Co. I prepared a brief  
27 which endeavored to show that such a bill prohibiting the exclusive clause would be unconstitutional. I have a carbon copy of that brief prepared. I am not able to say whether the report embraced part of the brief because I have not examined the report carefully. That is a copy of the brief we submitted to the committee. (Said brief is seven pages long and deals with the constitutionality of the proposed legislation prohibiting the exclusive agency contracts.)

The WITNESS. Rossington collected the fee for the services. It was paid sometime the following April by a checks for \$8,545, I think. I believe Swift testified it was  
28 \$8,000. My recollection is they wrote us to send in our account. We sent it in and not hearing from them in two or three weeks Rossington went to Chicago to find out about it, and when he was here I suppose the account was paid directly to him in Chicago.

I have no record showing in detail the services we rendered, for which we received this \$8,500, other than this seven-page typewritten brief, which I have shown. The entire services we rendered were with reference to these two legislative bills, and in February and the early part of March, 1903. I made no effort to ascertain, before I came here to testify, the number of days that the committee held hearings, or the number of witnesses that were called. I made no effort to ascertain the number of hours or the amount of services rendered by Rossington or myself in connection with this matter, or whether the records of the committee or of the hearings were preserved.

29 I understood by the phrase "the situation requires diplomatic handling," in Calhoun's letter, that they had just been advised of the situation and did not want to rush into it until they found out how it should be handled. The witnesses had been subpoenaed before the committee without their knowledge.

I saw nothing of any kind whatever to indicate that these bills were introduced to hold some one up. I don't recall the man's name from Salina, Kansas, referred to as the one who probably had a grievance and was causing the

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investigation. I made no effort before coming here to ascertain his name.

I examined our files to ascertain whether they contained correspondence with the I. H. Co. in connection with the payment of this bill. I saw a letter from Mr. Bentley, then general counsel of the company. He asked us to send in an account. That is the only correspondence I recall. I have not it with me. That is my recollection of all I found of the transaction, in letter form, between myself and the I. H. Co. about this matter.

30 I have not the slightest idea how much time I put in myself—we did not base charges on per hour employment at all. So far as the matter before the committee was concerned, after this trip from Topeka to Kansas City, the entire matter was handled by Rossington.

I think I prepared this brief with reference to House Bill 800. The letter from Mr. Bentley was dated about the middle of March, some time after the Legislature adjourned in 1903. It was simply a short letter asking us to send our account for services rendered. The records in our office showed no expenses in connection with this matter. There is no account made in the office excepting the general charge of \$8,545.

*Re-direct Examination.*

It is not the custom of our office to keep any daily or hourly itemized account of services. At that time we charged a lump sum generally for services rendered in a particular case after the work was done without regard to the time employed or the hours of service.

*Re-cross Examination.*

I think Rossington saw Calhoun in Chicago about the payment of his bill.

31 WILLIAM J. CALHOUN (witness for defts.):

I reside at Chicago and have practiced law exclusively since about 1898, except for three years while absent as Minister to China. I remember the circumstances connected with the sending of these two telegrams and the letter that was just produced by Smith.

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*The Employment of Kansas Counsel.*

My best recollection is that I was sent for by Cyrus Bentley, then general counsel of the I. H. Co. Our firm, 32 Pam, Calhoun & Glennon, were designated as Chicago counsel for the company, but not in active charge of its litigation or business, and only occasionally called in by way of consultation. Bentley did not seem to know much about it and no one there understood very well what the proceeding meant.

I advised Mr. Bentley that he ought to employ a man with standing and character at Topeka to represent the company to appear before the committee and advise as to what policy to pursue. He asked me whom to employ. I remember making inquiry and suggesting Mr. W. H. Rossington. He did not know him. I had a slight acquaintance with Mr. Rossington at that time—not intimate. Following that, I do not remember how long, Rossington came to Chicago to see me and I took him over and introduced him to Bentley. I understood they had never met before. There was some general discussion as to the Topeka situation and motives which prompted the inquiry, the exact tenor I do not remember much about. In the course of the conversation Bentley said to Rossington, in somewhat of a peremptory manner that no matter what the motive of this investigation, he wanted it clearly understood that he would not be a party to a transaction involving the payment of money 33 to anybody who might be behind that legislation or connected with it. I remember Rossington replied, with some show of feeling that he was not engaged in that business, either, and there the matter ended. That was all that was said about it.

I have no recollection of what the subject of the legislative action was, except as it is suggested to my mind by reading the letter I wrote at the time or a few days before. I have no recollection of ever having any other matter before the Legislature mentioned in either of these conversations. After I wrote this letter and took Rossington and introduced him to Bentley, I had nothing more to do with the matter and never heard of it afterward. I understood Rossington saw me in pursuance of his receipt of the telegram and letter. When I met Rossington the work had not been done—it was at the be-

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34 ginning of the matter. I was discussing it between him and Mr. Bentley.

*Cross-Examination.*

Cannot give the time I met Mr. Rossington in connection with this matter. Remember his coming to Chicago and his introduction to Bentley. He did not come to Chicago in connection with the payment of the bill, that I know of on that occasion. I never heard of the bill, never saw it, or knew there was any dispute about it, or anything connected with it. I did not see Rossington when he came to Chicago to get paid for his services. I did not know he came on such mission; never had any talk with him about it. I do not know for what that \$8,500 was paid. My connection was simply to advise on the day that they determined to send some one to Kansas City, and then my subsequent meeting, when Rossington came up and I conferred with him.

I really do not know whose duty it was to settle with Rossington. I had nothing to do with the payment and I never heard what it was until it was stated. When  
35 I talked with Rossington his services had not been completed and I do not know what he did afterwards.

Mr. Swift never reported to me.

*Re-direct Examination.*

The statements contained in my letter, as to the circumstances, and so forth, I obtained from Mr. Bentley, I assume, and possibly Mr. Swift,—those two. Don't know which one of them, if not both, I talked to. I had no other source of information.

## NO UNREASONABLE PRICES.

*The petition charges (p. 41):*

“Through the power acquired by defendants by their monopolization of the manufacture and sale of harvesting machinery, defendants have been enabled to advance and have advanced the prices of harvesting implements in interstate commerce, to the grave injury of the farmer and the general public.”

## VI

*Petitioner's Objection to Testimony as to Prices.*

328, 329 Mr. GROSVENOR. It is understood, I take it, that the objections heretofore made by counsel for the Gov-



ernment, at the Omaha hearing, to certain classes or topics of testimony introduced by defendants, apply also to all testimony of a similar character, introduced at subsequent hearings. These objections by the Government more particularly relate to—

(1) All evidence in relation to prices of agricultural implements, either prices from the International Harvester Company to dealers or prices from dealers to farmers, and irrespective of whether the prices in relation to which evidence is introduced apply to the period before or the period after the formation of the International Harvester Company;

(2) All evidence in regard to improvements claimed to have been made in harvesting and agricultural machinery since August, 1902, and testimony making a comparison of implements as they are made to-day and as they were made before 1902;

(3) All evidence relating to the subject of repairs, that is, the testimony of farmers and dealers relating to the facilities now or previously afforded for getting repairs or relating to existing trade conditions in regard to repairs.

The grounds of the objection are that the topics mentioned above, and heretofore objected to by counsel for the Government, are immaterial under any of the issues in this case, and hence are inadmissible; that such topics have only an economic, if any, interest; that the statute under which this suit is brought is a declaration by Congress of its economic policy and an enactment of that policy into law. Therefore, the Government contends that while all such evidence might be material on the question whether or not the policy of the law is a right one, it has no bearing on the real issue in this case, namely; whether or not the statute has been violated.

## VI

*Binder and Mower Prices from 1892 to 1912.*

A tabulation of defendants' Exhibits 98 to 118 show the prices the dealer paid for McCormick Company's binders and mowers from 1892 to 1912 and for I. H. Co. of A. binders and mowers from 1903 to 1912:

| Year | McCormick Har. Machine Co. | Six Foot Binder with Bundle |                  |             | Five Foot Mower       |          | Defts. | Ex. | 98  |
|------|----------------------------|-----------------------------|------------------|-------------|-----------------------|----------|--------|-----|-----|
|      |                            | Net Cash                    | Carrier Two Fall | *Three Fall | Net Cash              | Two Fall |        |     |     |
| 1892 |                            | \$104.40                    | \$118.90         | .....       | Reg. \$36.00          | \$42.00  |        |     | 98  |
| 1893 | "                          | 100.80                      | 114.80           | .....       | " 32.40               | 36.90    | "      | "   | 99  |
| 1894 | "                          | 100.00                      | 110.70           | .....       | " 34.20               | 38.95    | "      | "   | 100 |
| 1895 | "                          | 100.00                      | 110.70           | .....       | " 32.40               | 36.90    | "      | "   | 101 |
| 1896 | "                          | 97.50                       | 108.00           | .....       | " 31.59               | 36.00    | "      | "   | 102 |
| 1897 | "                          | 95.00                       | 102.00           | .....       | " 32.00               | 34.00    | "      | "   | 103 |
| 1898 | "                          | 95.00                       | 102.00           | .....       | " 32.00               | 34.00    | "      | "   | 104 |
| 1899 | "                          | 95.00                       | 102.00           | .....       | { " 32.00 34.00 }     |          | "      | "   | 105 |
| 1900 | "                          | 100.00                      | 107.00           | .....       | { Vert. 33.00 35.00 } |          | "      | "   | 106 |
|      |                            |                             |                  |             | { Reg. 34.00 36.00 }  |          |        |     |     |
| 1901 | "                          | 100.00                      | 107.00           | .....       | { Vert. 35.00 37.00 } |          | "      | "   | 107 |
|      |                            |                             |                  |             | { Reg. 35.00 37.00 }  |          |        |     |     |
| 1902 | "                          | 95.00                       | 100.00           | .....       | { Vert. 36.00 38.00 } |          | "      | "   | 108 |
|      |                            |                             |                  |             | { Reg. 33.00 35.00 }  |          |        |     |     |
| 1903 | Int. Har. Co. of America   | 95.00                       | 100.00           | .....       | { Vert. 34.00 36.00 } |          | "      | "   | 109 |
| 1904 | "                          | 95.00                       | 100.00           | \$105.00    | { Vert. 35.00 37.00 } |          | "      | "   | 110 |
| 1905 | "                          | 95.00                       | 100.00           | 105.00      | { Reg. 34.00 36.00 }  |          | "      | "   | 111 |
| 1906 | "                          | 95.00                       | 100.00           | 105.00      | { Vert. 35.00 37.00 } |          | "      | "   | 112 |
| 1907 | "                          | 95.00                       | 100.00           | 105.00      | { Reg. 34.00 36.00 }  |          | "      | "   | 113 |
| 1908 | "                          | 100.09                      | 107.50           | 112.50      | { Vert. 35.00 37.00 } |          | "      | "   | 114 |
| 1909 | "                          | 100.09                      | 107.50           | 112.50      | { Reg. 35.85 38.50 }  |          | "      | "   | 115 |
| 1910 | "                          | 100.09                      | 107.50           | 112.50      | { Vert. 36.78 39.50 } |          | "      | "   | 116 |
| 1911 | "                          | 100.09                      | 107.50           | 112.50      | { Reg. 35.85 38.50 }  |          | "      | "   | 117 |
| 1912 | "                          | 95.43                       | 102.50           | 107.50      | { Vert. 36.78 39.50 } |          | "      | "   | 118 |
|      |                            |                             |                  |             | { Reg. 33.52 36.00 }  |          | "      | "   | 118 |
|      |                            |                             |                  |             | { Vert. 34.45 37.00 } |          | "      | "   | 118 |

\*NOTE. These contracts show that for 1892, 1893 and 1894 the 3-fall-payment price was the same as the 2-fall-payment price, but 3-fall-payment sales were objected to (Defendants' Exhibits 98, 99, 100). After that time, from 1895 to 1900, sales on 3-fall-payments were forbidden by the McCormick Company (Defendants' Exhibits 101-103, incl.). From 1900 to 1904 the contracts are silent on this question. In 1904 the I. H. Co. of A. made sales on 3-fall-payments, but at an increase of \$5 per binder over the 2-fall-payment (Defendants' Exhibit 110).

In 1892, 1893 and 1894 these prices did not always include the bundle carrier, which, in some instances, cost \$5 when sold with a binder. As, however, the dealer was authorized, in the case of a good customer, to "throw in the carrier gratuitously," the above prices fairly represent what the Company generally received in those years for the 6 ft. binder with bundle carrier (Defendants' Exhibits 98, 99, 100). After 1894 bundle carriers were universally sold with binders.

(NOTE. For evidence as to advancing raw material costs and general upward trend of prices 1902 to 1912, see *supra*, pp. 168 to 171.)

## V

*Evidence of Implement Dealers as to Prices.*

J. W. PATTERSON (implement dealer, Kearney, Neb.):

98 During the last 10 years the price of farm implements has been upward. I think the advance is less on binders than any other line, unless it be the plow line. Plows cost the dealer between 6 and 7 cents per pound—some as high as 10.

The 6-ft. binder, unequipped with tongue truck and transport truck, will weigh about 1600 pounds; the tongue

V

104 truck would weigh 200 lbs., the transport truck about 100, making an aggregate of about 1900 lbs. The price of this binder to the dealer would be approximately 6 cents per pound.

There are an infinitely greater number of parts to the binder than to the plow. It is more intricately made. The number of its parts runs into the thousands. It sells cheaper per pound to the dealer than most plows and is as cheap as any plow.

THE FOLLOWING DEALERS ALSO TESTIFIED THERE HAS BEEN PRACTICALLY NO ADVANCE IN PRICES OF HARVESTING MACHINERY.

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## Business Methods and Practices.

### CLAUSES IN COMMISSION AGENCY CONTRACTS.

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*Cancellation Clause Was in McCormick Contracts from 1893 to 1902.*

265 This clause in the McCormick contract in 1892 (Defts' Ex. 98), was:

"IT IS FURTHER MUTUALLY AGREED that said M'CORMICK HARVESTING MACHINE COMPANY \* \* \* may at any time annul and determine this and all prior contracts, and take possession of all orders, notes, accounts, moneys, machines, twine, binder trucks, bundle carriers, flax dumps, repairs and any other property in the hands of said E. J. Webber by virtue thereof."

267- The clause was substantially the same in the McCor-  
292 mick contracts from 1893 to 1902 (Defts' Ex. 99 to 108).

*Similar Clause in Old Deering, Plano and Champion Contracts.*

264 The Deering contract for 1892 (Defts' Ex. 193), provides:

"This agency may at any time be terminated by said William Deering & Co. without liability for damages, and they may at once take possession of the goods or property unsold and of everything in the hands of said agent in any way relating to the business."

261, 262 The Champion and Plano contracts for 1892 (Defts' Ex. 189 and 192) contained substantially similar cancellation clauses.

The Deering 1902 contract (Defts' Ex. 194) provided that the agency might be terminated at any time without liability for damages.

314 The Plano contract for 1902 (Defts' Ex. 191) reserves the right to annul and terminate the contract at any time without liability for commissions or damages.

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*Also in Johnston and Acme Contracts till 1913.*

252- From 1902 to 1909 the Johnston Company reserved  
257 (Defts' Ex. 54-61) the

"right to declare this agreement null and void at any time it shall become dissatisfied with said second party's manner of doing business, or for any reason satisfactory to itself without liability or damage."

From 1910 to 1913 the clause in the Johnston Harvester Company contracts (Defts' Ex. 62-65) provided that:

257     "\* \* \* said company reserves the right to and may at any time without notice annul and terminate this agreement, and take possession of all orders, notes, accounts, moneys and machines in the possession or under the control of said dealer by virtue thereof, without liability for damage, and said dealer hereby waives and releases all right of action for damages because of such cancellation of agreement."

259     The Acme contract for 1909 (Defts' Ex. 69) has a cancellation clause, and the Acme contracts for 1910 to 1913 inclusive (Defts' Ex. 70 to 73 inclusive), contain the clause:

"That this contract may at any time be cancelled by said Acme Harvesting Machine Co. without liability for damages, and it may at once take possession of the goods or property unsold and of everything in the hands of said agent in any way relating to the business."

*Cancellation Clause Modified in I. H. Co. Contracts 1903 to 1912.*

291- The International Harvester Company of America con-  
303 tracts from 1903 to 1912 inclusive (Defts' Ex. 109 to 118 inclusive) have a cancellation clause; since 1904 it has been substantially as follows:

"It is mutually agreed that said Company shall at all times have exclusive and entire control over all machines and attachments and all orders, contracts, accounts, notes, moneys or other property accruing and growing out of the sale of said machines, attachments, hay rakes, twine, repairs, or other property, whether for this or previous years, and may at any time when it considers its interests are neglected or jeopardized, without notice, annul and terminate this and all prior contracts and take possession of all orders, notes, accounts, moneys, machines, attachments,

## XIV

hay rakes, twine and any other property in the possession or under the control of said agent by virtue thereof, and said agent hereby waives all right of action for damages because of such cancellation of contract and termination of agency."

## CLAUSE FIXING RETAIL PRICE.

*In Old Contracts But Not in International Since 1905.*

265- The McCormick contracts for 1892 to 1902 (Defts' Ex.  
291 98 to 108 inclusive) provided that the agent should sell for such prices and on such terms as shall be prescribed by the said company.

263 The Deering contracts for 1892 and 1902 (Defts' Ex. 193 and 194) provided that the agent should "sell only upon the terms and at the prices prescribed by \* \* \* the Company."

291- The I. H. Co. of A. contracts for 1903 to 1905 gave the  
298 right to fix the retail prices, but since 1905 have contained no such clauses.

## EXCLUSIVE AGENCY CLAUSE.

*Exclusive Agency Clause in Plano, Champion, Deering, McCormick, Milwaukee, Johnston and Acme Contracts.*

262 The Plano contract for 1892 (Defts' Ex. 192) provides that the agent shall not be interested directly or indirectly in the sale of any other harvester binder or mower and a penal forfeiture of \$50 for each and every such machine so sold in violation of this clause.

261 The Champion contract for 1892 (Defts' Ex. 190) similarly provided for an exclusive agency and \$25 was stipulated as the liquidated damages for each machine sold in violation thereof.

263 The Deering contract for 1892 (Defts' Ex. 193) provided that the agent should not "sell or be interested in the sale of any similar goods of or for any other house or concern."

264 The McCormick contract for 1892 (Defts' Ex. 98) provided in capital letters that the agent should not "accept an agency for or be interested in the sale of any other harvester or binder, reaping or mowing machine, directly or indirectly," while acting for the McCormick Company.



## XIV

267- This clause was repeated in the McCormick contracts  
 292 from 1892 to 1901 in substantially the same form, but in  
 1902 a penalty of \$25 was provided for each machine sold  
 in violation of the clause.

The Deering, 1902, contract (Defts' Ex. 194) provided  
 that the agent should not

“be interested in the sale of any similar goods \* \* \*  
 of any other \* \* \* concern and pay as liquidated  
 damages \* \* \* \$20 for each machine sold \* \* \*  
 in violation thereof.”

305 The Milwaukee contract for 1900 provided a penalty  
 of \$20 for violation of the exclusive agency clause; the  
 Champion contract for 1902 (Defts' Ex. 189) a penalty of  
 \$25; the Plano contract for 1902 (Defts' Ex. 191) an ex-  
 clusive agency clause without penalty; the Osborne con-  
 tract for 1902 (Defts' Ex. 195) an exclusive agency clause  
 without penalty.

252- The Johnston contracts for 1902 to 1905 (Defts' Ex.  
 258 54 to 57, had exclusive agency clauses, with provisions  
 for a penalty of \$25 for binders and \$10 for mowers or  
 reapers.

258 The Acme sale contracts of 1906 and 1907 had exclusive  
 259 clauses covering repairs and providing for a forfeiture  
 of commissions for violation of them.

*Exclusive Clause Omitted from International Contracts Since  
 1905.*

291- The I. H. Co. of A. contracts from 1903 to 1905 had  
 298 exclusive agency clauses with penalties of \$25 for grain  
 binders, grain harvesters or headers, \$10 for mowers or  
 reapers, etc. Since 1905 there has been no exclusive  
 agency clause.

**PETITIONER'S EVIDENCE AS TO BUSINESS METHODS AND PRACTICES.**

As to defendants' business methods and practices, petitioner offered:

Minutes of the Boards of Directors and of the Executive and Finance Committees of both the International Harvester Co. and International Harvester Co. of America;

Letters between various officials and reports of the Sales Committee and Sales department (Pet.'s Exs. 134 to 162, 193 to 204, 212 to 215, 218 to 227, 251, 268);

"Circular" letters to general agents from the Sales department (Pet.'s Exs. 75 to 132, 163, 270 to 283);

Memoranda of deviations from regular prices (Pet.'s Exs. 233 to 245);

Lists of general agencies of the I. H. Co. of America (Pet.'s Exs. 18, 19, 20a, 20b);

Statement of number of commission agency contracts (Pet.'s Ex. 269);

List of manufacturing plants and number and kind of machines sold. (Pet.'s Exs. 228, 230, 262 to 263P);

Contracts between the I. H. Co. of America and other companies (Pet.'s Exs. 192, 206 to 209, 252 to 255, 297, 298);

Contracts with local dealers (Pet.'s Exs. 74, 175 to 181, 205, 206, 216);

Letters Osborne & Co. in 1904 stating Osborne Co. was independent (Exs. 165 to 172, 189, 190); Buckeye Advertisement (Vol. III, p. 88);

Letters and Advertisements holding out the Keystone Co. as independent (Exs. 183 to 187);

Letters of I. H. Co. of A. to local dealers regarding prices (Exs. 176 to 178);

Letter of I. H. Co. of A., 1903, suggesting retail prices (Ex. 179);

Twenty-two implement dealers and two former employees were called by petitioner to testify relative to alleged attempts to prevent dealers from handling competing harvesters and the alleged use by the I. H. Co. of its harvester line to force its full line. The testimony of these witnesses follows:

401 P. W. GRIGGS (witness for petitioner):

I reside at Topeka, Kan.; started in the implement business in 1881 and continued to 1906. I handled the Champion line principally and the Walter A. Wood, in 1902 or 1901. I discontinued the Champion in the spring of 1902. In the fall of 1901—I don't remember the dates—when we settled the year's business, the traveling man presented a new contract for the following year. I objected to quite a number of the features and we began to eliminate them, until in the spring I thought we were going to continue to handle the goods; but a new man started business in the town, and some of the officials that came with this traveling man told me that I must sign that contract without any changes or they would not allow me to handle the goods. I refused and consequently could not handle their goods any more.

The principal discussion was regarding the exclusive clause. We were handling the Buckeye I think and the Walter A. Wood with the Champion. I think there was no reference to the handling of these other lines only they knew what we were handling, and everything was excluded except their own goods.

I then took on the Osborne line, represented as not connected with the International and I handled their goods under the belief that it was an independent company for two years. After handling it two years, we made a contract with an International representative subject to the approval of the company. They held it up for about six weeks. It got pretty late in the season and I telephoned him about it. He told me I would have to throw out the Wood machine or they would not approve the contract; they had an exclusive contract with every other agent in the territory and must have the same kind with me.

With the assistance of the Secretary of the Implement Dealers Association, an official of the Company came from Chicago. He and Mr. Rees came together into the store and wanted to know what the trouble was and I told them in as few words as I could. This official said—I do not know his name—to Mr. Rees that he had better allow me to sell the Wood machine this year and so it was approved and we continued to handle the Osborne for that year.

## II

The Osborne contract was never renewed. They said positively they would not renew it unless we would quit handling the Wood machine. None of the other six implement dealers in Topeka was handling Wood machines.

The repair feature on harvesting implements is an important part of the business. The Deering people had an agent there for many years and sold lots of machines, and our customers who were in the habit of coming to our place of business had to go elsewhere to get their Deering repairs, and the man discontinued to do business I think entirely, and we to draw trade and accommodate our customers, took the Deering agency in connection with the other machines we were handling. That was our principal purpose; we did not care anything about selling the Deering machines. That was probably in 1885 or '6 but that holds good in almost any line of harvesting machinery that has been sold a long time in the territory. The repair business is quite an item. It gets the farmer in the habit of coming to your store.

*Cross-Examination.*

416 In 1900 I was selling the Champion machines mostly at Topeka, Kas. A number of years the farmers did not raise any wheat and we scarcely sold any binders. Our trade was mostly with mowers, we usually sold from 20 to 35 Champion mowers a year; I did not handle the Champion line for a very long period. I think the last  
417 year was 1891. We handled the Acme machine in 1905 and '4 I believe; we handled the Osborne in 1901, '2 and '3 I guess. We did not sell many Osborne the first year we handled it; not more than half a dozen mowers and perhaps two binders; the second year just two or three binders and a few mowers. I had the Wood in 1903 or '4; I did not sell any Wood binders I guess during that  
418 year. Next year we had the Wood binder and mower; sold about the same number of mowers we did of the Osborne; we did not make a leader of either the Wood or Osborne. There were no Wood or Osborne canvassers there. Some Osborne men came out as experts to repair machines; we did a very little canvassing ourselves. No canvassing was furnished by the Wood Company.

We handled the Osborne under a commission contract giving the option of settling in cash. We bought the Wood outright. The Osborne machines belonged to the

## II

419 company until sold; if not sold that year they usually would carry them; I do not recall just what the contract did specify. The last year I handled the Osborne to my best recollection was 1903 or '4. The next year I handled the Acme and Wood. The first year I sold 25 Acme mowers and 2 or 3 binders. We did not have any Wood binders but sold Wood mowers. At that time there was not much call for binders and we did not keep any in stock.

Our trade was practically all mowers. There were corn  
420 binders but no wheat binders. The Acme was handled about the same as the others. The next year, 1906, I went out of business.

421 Somewhere along in 1885 or '6 I took over the Deering machines, for the reason that we thought the repair business would help our trade in all lines. We were handling the Walter A. Wood binder and I think the McCormick. It helped our business in a general way; people would come in to get Deering repairs and that would give an opportunity to sell them Wood machines or other goods. I wanted the Deering repair business to get this advantage. It was not for the same reason that I  
422 desired the Champion business or the Osborne or the Acme. There was no repair business in those lines that I regarded of any special advantage.

I worked for a man who handled the McCormick and Buckeye in 1881 or '2. After that I bought into a business and we got the McCormick, later on the Deering. We handled them both at one time. I handled the McCormick for a number of years. It would be along about  
423 1889 and '90. I remember being asked in the jury trial at Topeka how many binders and mowers I sold in 1905, the last year I handled the Osborne. I do not remember whether my answer was that I sold one harvester and binder and several mowers. I would not now swear from recollection that during the last year I sold more than one Osborne harvester and binder and three mowers.

## III

1 W. H. GREEN (witness for petitioner):

2 I live at Creighton, Neb., and have been engaged in the implement business since 1893. That year I commenced handling the Champion and Deering lines. I held the Deering agency until 1904. During this period

## III

I had the Plano, Milwaukee, Champion and Buckeye, at least three machines all the time. At the end of 1904 I had the Deering, Plano, Milwaukee and repair contracts for the Champion and Buckeye. There was one other regular dealer at Creighton that year. He handled the McCormick, and there was a farmer who sold some Acmes. In 1902 the Deering, McCormick, Plano and Milwaukee were the only binders and mowers sold in Creighton. The repair business was important.

- 3 At the end of 1904 there had never been a disagreement between us and the Harvester Company. Mr. Kilborne, the general agent at Sioux City, complimented me over the business I had given him. In the early part of 1905, a man called at my store and said he lived in Chicago. We talked on the general topics of the day. I told him that I thought the large corporations and trusts were dangerous to society. He finally said to me that he was in the secret service of the International Harvester Company and that he was the assistant superintendent west of Chicago.

- 4 My recollection is that his name was Callaghan. At the end of the conversation he said: "You will have to shut your damn mouth or we will take our goods out." About three weeks after that, an auditor from Sioux City and a blockman from another territory came up and said they were to check the goods out I had on consignment. I think I had \$5,000 or \$6,000 worth of goods on hand. I carried that stock through the winter. The account when checked up was \$107 in my favor.

- 5 I had not before then advertised the goods of any independent company or attempted to sell the goods of any independent company or tried to injure the Harvester Company's business. When these men took the stuff out there were no harvesting lines left in my store. After that I tried to get the agency of some company not connected with the International.

- 6 Before 1905 I had sold over 200 Deering binders around Creighton and had never had any lawsuit or dispute. I had never had any trouble with either the I. H. Co. or with the Champion, Deering or Milwaukee Companies. I was the only implement dealer at Creighton who survived the hard season of 1893 and 1894. The Deerings allowed us a large line of credit.

- 21 After 1906 I remained in the implement business but

## III

handled no harvesting machines and none of the I. H. Co. goods. The harvester line is the most important class of agricultural implements in the vicinity of Creighton. At the beginning of harvest the farmer comes in for his repairs, buys his oil and twine, and when he is in there he is apt to buy his vehicles and everything else for the fall.

22 The I. H. Co. keeps more canvassers at Creighton than they do in the surrounding towns. They have from one to five canvassers there all the time. These canvassers solicit for wagons and tillage implements as well as harvesting machines. They make it very hard to do business. This year Mr. Roemer, a former blockman of the I. H. Co., started in the implement business at Creighton under the name of Roemer & Masters. They have the McCormick line.

23 On March 28, 1912, I had an auction sale. I advertised it three weeks in advance. People came from the surrounding country and I advertised that I would give them a dinner. When the people had gathered, Masters came into the tent and circulated a lot of hand bills, reading as follows (Pet.'s Ex. 188):

“Mr. Farmer: Roemer & Masters Will Sell At Invoice Price To-Day, All Farm Machinery.

See the Invoices and Know the Cost.

March 28, 1912.

ROEMER & MASTERS.”

24 Roemer & Masters did not before or after that sell at invoice price. They did not advertise that sale.

(Over objection of defendants): There has been upon the part of the Harvester Company a persistent effort, carried on through many years, to put me out of business.

*Cross-Examination.*

25 I never had any serious trouble with the Deering or  
26 Champion Companies. I never had any dispute about accounts or credit. I have no recollection that the Harvester Co. refused to extend credit to me in 1904 because of the delays in getting settlements. The I. H. Co. always collected from me very closely—much closer than before the organization of the trust—much closer I think than from the average dealer.

I had trouble with the Acme over an account and there was a lawsuit over it.

III

29 In 1905 I was in the real estate business and had started a newspaper called The Nebraska Liberal at Creighton, Neb. I took an active though a minor part in politics.

I guess I probably did say in my newspaper that I had two objects in politics—one to advance the interest of William J. Bryan and the other to bait the International Harvester Company.

31 I have been bombarding the Department at Washington and the Bureau of Commerce and Labor for five or six years to bring an action against the I. H. Co. I instituted a suit in my own county. I got letters of introduction to members of Congress. My motive in going to Washington was to get this lawsuit started. I went to Attorney General Wickersham and told him if they did not bring an action against the Harvester Company he would be impeached. I was sent to do that.

32 I did not say he would be impeached if he did not start this lawsuit but if they gave the Harvester Trust an immunity bath like the Tobacco Trust there would be impeachment proceedings. I told them this after I had talked with members of Congress. I told them they would be impeached if the Harvester Company was not dealt with more stringently than the Tobacco Company was. That was after this suit was brought.

I have been active trying to push this suit along day and night; giving out interviews of all kinds to papers wherever anybody would take them.

33 I went to Washington in the winter of 1912. I sold out my business because there was no money in it. I had to leave it and I could not afford to leave anybody else there with it. In my advertisement as to why I was selling out, I said I had to go to Washington as a witness. The following advertisement was published by me in my newspaper (Defts' Ex. 9):

"Having been summoned to Washington as a professional witness, and having no experienced assistants to manage my business, I will sell my entire stock."

34 I did not go to Washington as a professional witness. They would not let me sell the stuff so I could not get the money. I wanted to be a professional witness awful bad.

When in Washington I made arguments before committees. I realized that the political end of it was a lever. I thought that by getting the proper power we might lift



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the Harvester Company out of politics. In all this activity of mine in Washington, I recognized that political strategy was my big card. I did not have any money. I had no personal interest in the way of getting any job or position. I might have written a letter in which I stated that I had been promised a job as special investigator at \$50 a day. I was promised it. There was the element of personal compensation in the matter. That promise was not by the Department of Justice.

The paper you hand me, marked "Deft's Ex. 10," is a photographic copy of a letter that I wrote.

"Sixty-Second Congress.

House of Representatives U. S.  
Special Committee to Investigate Violations of the Anti-trust Act of 1890, and other Acts.

Washington, D. C., Jan. 13, 1912.

Dear Mr. Wright:

\* \* \* Of course I can see why you hesitate to feel that this is bona fide but if you come down here I can show you that no power on earth can keep us from going to the bottom of this. Of course the way the Committee is now organized it would be a joke but the leaders here understand that fully and a plan is now on foot to get back to an honest organization. Mr. Bryan took those fellows on the carpet and talked turkey to them and Gov. Wilson even went farther. Those two men hold the life of every Congressman in their hands. If you come here I will outline everything for you and I am on the inside of the ring. In fact I carry written authority from Mr. B. to the men high in the councils. I rather look for Lowe here Sunday. He is to appear before the Rules Committee Monday. He is a whirlwind. You can rest assured that I will always remember you and Mr. Wilkinson. Of course the political strategy is my big card. That is all that causes me to come down here and spend my few dollars in expenses. It is an opportunity of a lifetime and I have made good here.

As ever,

W. H. GREEN."

I do not recall any hopes I had as to what I personally would realize as a result of my activities against the Harvester Company other than the job as special investigator at \$50 a day.

I ran for Lieutenant Governor of Nebraska. What-

## III

ever hopes I had that I might be elected were based largely upon the fight I made against the Harvester Company. I was not elected.

I never had an idea that the work I was doing in fighting the Harvester Company would be good material for my running for Congress. I might have written letters stating that I hoped my activity in the Harvester Company matter would strengthen me politically at home. I might also have said that I had ambitions to run for Congress, or some equally good job, and that my efforts in the Harvester matter might give me some good advertising.

- 41 The visitor I spoke of in direct examination came to my place of business some time in April, 1905. I think his name was Callaghan. He told me that he was assistant superintendent in Chicago.

- I did have some trouble with the Acme over an account, also with the Keystone. I never had any trouble in my account with the John Deere Co., or with the DeLaval Separator Co., or with the Racine Sattley Co. I did  
42 have trouble with the Iowa & Nebraska Creamery Co. and I had some trouble in regard to the payment of a press bought from the Chicago Newspaper Union. In 1899 I handled machines under a contract in the name of somebody else. It may be possible that I handled the Deering one or two years on an understanding with another party. That was J. W. Rehberg. In 1899 I handled machines sold under a contract made with J. W. Rehberg.

- My activities in regard to the Harvester Company have  
43 been continuous; I tried not to spread any untruthful statements to the newspapers.

I do not recall stating that:

"The crying shame of the whole outrageous system is that the same Trust is selling machines of this class in foreign countries at almost half of what they are charging the American farmer."

The witness is handed a clipping marked Defendants' Exhibit 11 reporting to be interviews in the Omaha World-Herald of December, 1911, the Sioux City Tribune Jan. 3, 1912, and the Lincoln Star Dec. 25, 1911.

- The reading of that paper refreshes my recollection a  
44 little. In those interviews I gave the name of the man who stated that fact was true. Mr. F. J. Lowe of New York filed that information with the Committee on Rules.

## III

45 I gave each of those newspapers the document containing that paragraph. I gave out the interviews. It was in a copy of the New York Commercial. I called the attention of the papers in connection with my interview to the statement which was read. In my interviews given out at various times, the following statement also occurs:

"It is a matter of record that over 40 implement manufacturing concerns have failed, or have been entirely wiped out of existence, through the conditions brought about by the formation of the International Harvester Company."

I will send you a copy of the paper which contains the  
46 list of the 40 implement manufacturers which failed. I prepared an address called "The Experiences of an Implement Dealer" for the State Press Association and it was published in The Commoner.

I guess the following must have occurred in that address:

"Swift says that the man who makes two blades of grass grow where one grew before is a benefactor, therefore the stockholders of the harvester companies must look upon George W. Perkins as a patron saint for he made one dollar into five when he took property and old notes not worth 30 millions of dollars and coined them into 120 millions of dollars worth of negotiable property, on all of which the American farmer pays a large dividend."

47 I guess there is a mistake in that but I have read it since and never noticed it.

48 *Re-direct Examination.*

I began pounding against the company during May, 1905. The day they began checking out was when I began.  
49 I was trying to save myself from being driven into bankruptcy. I have reference to this extra canvassing.

In the suit I had with the Acme Co., the jury gave me a verdict of \$700. I had no real trouble with the Keystone account. The International man said they would take anything I would give them. That was after it became known that the Keystone was a part of the International. I am handling today the implements of Deere & Co. I have received \$150,000 worth of their implements.

## III

50 The Deering Co. thought they could do better if they changed their account over to Rehberg who worked there in conjunction with me. They afterwards came back to me.

I have never failed or had a judgment entered against me.

51 In April, 1905, and at the time the young man called upon me, I had not written any letter to the Department of Justice or to the Bureau of Corporations complaining about the Harvester Company.

I did not write until I heard of Attorney General Wickersham's address to the Bar Association at Detroit in which he outlined the Standard Oil and Tobacco decisions.

I wrote a letter to the District Attorney saying that I had thought of some concrete examples of the very points Mr. Wickersham brought out in his address. In a week or ten days I got a letter from the Department asking for some of the documents I referred to. After some correspondence, I was finally requested to come to Washington and bring all the papers with me. I delivered all my papers to the Department of Justice.

52 I went into the real estate business and started the newspaper in 1905 after I had lost those lines of implements. My opinion of Mr. Wright is that he is a modern Judas. He is editor of the Eastern Dealer in Philadelphia. It was supposed to be an anti-Harvester paper. It is exclusively an implement trade paper. There was no authority given to Mr. Wright to turn over that private letter. I was subpoenaed in this case.

The activities of the Harvester Co. against me since 1905 have been active and continuous. The whole power of that company has become chronic against me.

53 I was doing business in a territory about 40 miles square. I was the largest implement dealer in the vicinity of Creighton.

## XIV

ALEX LEGGE (witness for defendants):

51 The I. H. Co. has never maintained a Secret Service, to my knowledge. There never was such an office in Chicago as assistant superintendent of the I. H. Co., at any time. There never was a man who was assistant super-

## XIV

intendent of the I. H. Co. west of Chicago. I have had search made to see whether any man by the name of Callahan was in the employ of the International Harvester Company at Chicago in the spring of 1905, and cannot find anyone by that name who has been on the payroll, then or since, in the Chicago office.

*Cross-Examination.*

74 Counsel stated that I gave some testimony on direct examination respecting a search I made, to ascertain whether a man by the name of Callahan, had ever been in our employ. I never talked with Mr. Kilborne on that subject. I talked with him on some other matters of the Creighton situation.

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278 FRANCIS A. BROGAN (witness for defendants):

Am attorney for the John Deere Co. at Omaha. They  
279 consult me regarding legal matters and I handle their cases in court. If a legal controversy arises in the matter of adjusting or collecting an account, it is apt to come to my office. I know William H. Green, of Crichton, Neb. He is in the implement business in that town. As attorney for John Deere, I have gone to Creighton to see him at least once within three or four years and I think twice, but I can recall distinctly only one time. I went up there with Mr. Farrington who was at that time Assistant Manager of the John Deere Plow Co., and I went with him at his request, in order that he might consult with me while there regarding his business transaction with Mr. Green. I think the only knowledge I had concerning the necessity for going there was derived from consultation with the officers of the John Deere Plow Co., in my capacity as their attorney and think I ought not to disclose that here.

280 No cross-examination.

## VII

## LEWIS T. YOUNT:

- 24 I have sold goods to William H. Green, of Creighton, Neb. We had trouble to get our money from him.

*Cross-Examination.*

We did business with Mr. Green from 1899 to 1904. I was then connected with the Racine Wagon & Cordage Co., manager of their Omaha branch.

- 10 C. M. JAMES (witness for defendants):

- I reside at Oklahoma City, and am in the employ of the Oklahoma Moline Plow Co.; was formerly an International blockman. I know William H. Green of Creighton, and helped check out the International goods from his place of business. We had trouble in getting our money. Green was slow in paying his bills. While blockman I recommended that the business be taken away from Green on account of his slowness and irregularity in paying accounts.

*Cross-Examination.*

- The general agent, C. P. Kilborne, told me to go to Creighton and check out Green. That was possibly a year after I had been blockman at Creighton. I have been over a great many different blocks to assist in settlements. It was not customary for me to leave my block and go to other blocks and check out dealers but this was quite an account, and I am pretty fair on settlements, so I presume that was the reason I was sent. I have no recollection how the balance stood when we checked out Green's account; we had trouble in collecting balances when I was blockman there. We did business with Green when I was with the Deering Harvester Company. While with the Deering I did not sell to Green in the hard times. I was a collector, not in the sales organization.

I do not remember that Green had any particular attitude on the Trust question. We never had any trouble with him on the Trust question; that is I do not recall it. There was a reason for taking the goods out in this case; I do not remember what it was. I do not know as we gave him any reason. I just followed out orders. I

## VII

read two or three pages of Green's testimony; counsel did not point out any to me; he gave me the book and said I could read it if I wished to. I could not testify whether Green gave me a check for the balance when the goods were checked out or not. I remember we had trouble with Green when I was on the block, I believe in 1902.

*Re-direct Examination.*

16 I made a good many trips like that from my block to other blocks to adjust matters of this kind. There was trouble collecting money from Green, and I had recommended that the business be taken away from him. I was on the lookout for a financially responsible dealer, and because I did not locate such a one the business was not taken from Green at the time. I never heard of a man named Callahan working in the Sioux City Agency. I do not know of any man by that name.

*Re-cross Examination.*

I cannot testify whether Green paid up his account when I ceased being blockman. The man who would be properly qualified to testify to this Green transaction, would be the general agent, Kilborne, or the blockman. I went there to assist in making the transfer and do not recall as to why the goods were taken out.

## VIII

W. J. CLARKSON (witness for defendants):

545 I am a credit man of the John Deere Plow Co., and live at Omaha, Neb. From 1902 to 1906 I was bookkeeper and assistant cashier for the Deering Division of the I. H. Co. at Sioux City. I left the I. H. Co. in 1906. My duties were to post up all the accounts, see that the proper statements were sent out, that the collections were made, and work up settlement papers for the blockman when it was necessary to make them. Creighton, Neb., was within my territory.

546 I know William H. Green. He was in business at Creighton as an implement dealer. As assistant cashier, and on the books of the company at Sioux City, I was familiar with the accounts and the collections upon accounts. William H. Green of Creighton, Neb., was very slow in the payment of his accounts while I was there. They would run from six months to

## VIII

a year and a half past due. They were always pound-  
 ing on him to make the payments. Several times I re-  
 547 ceived payment of a portion of the account by a check  
 from Green. Twice in 1904 I received a check from  
 Green to apply on the account that was protested for  
 non-payment. In July, 1904, a \$150 check was protested  
 and in December, 1904, a \$100 check was protested. In  
 1905 under instructions from the general agent, Mr. Kil-  
 borne, I went out with Mr. Blotz, a blockman, and checked  
 the goods out from Green's store.

We had frequent discussions with Mr. Kilborne, the  
 general agent, over the account of Mr. Green being past  
 548 due. There always were discussions of the difficulty of  
 getting payment in cases of that kind.

When we were instructed to check out, Kilborne advised  
 Blotz and myself that on account of Green's poor financial  
 standing and his inability to take care of his indebtedness  
 to the International, we should take the goods away from  
 him and transfer them to some one else. I went out and  
 assisted in that work with that direction.

*Cross-Examination.*

I had not given Green any notice that his goods were  
 to be checked out and do not know of any notice being  
 given him. I received word to go out there a few days  
 549 before I went. That was in May, 1905. Being asked if  
 I found that Green owed us or we owed Green will say  
 I cannot answer the question in that way; there is a net  
 550 account and a machine account. If you want the net ac-  
 count I can tell you.

We paid him. Green did not owe us anything on the  
 total account when we transferred the goods. We owed  
 him about \$75 net on all the Divisions transferred; that  
 is, the different Deering, Milwaukee and Plano goods. Be-  
 ing asked if we check out our customers very often when  
 we owe them money and claim that it is because they are  
 slow in their accounts, will say that it is not very often  
 that you find anybody that waits two years to pay their  
 bills, that you have to check out that way. There was  
 551 nothing due on any other account from us to Green. I  
 refreshed my recollection by going over the books at the  
 Sioux City office yesterday. We were reimbursed our ex-  
 pense on the protested check.

552 No one has paid my expenses to come up here. The I.



## VIII

H. Co. asked me to come here to testify. I hope to have my expenses paid.

I am working for the John Deere Plow Co. Have not been subpoenaed. Mr. Kilborne of the I. H. Co. asked me to come here. I saw Mr. Kilborne at the Carpenter  
553 Hotel today. He is general agent of the I. H. Co. for the Sioux City territory, and the headquarters of his general agency are Sioux City.

My recollection is that we had instructions to make the best possible settlement to get the goods away from Mr. Green. I have been in the habit of making settlements with dealers at different times, when they were rushed. Green is the only dealer I checked out in 1905. I never heard the phrase checked out until you used it. I had  
554 never before or since been sent from the office to assist a blockman to take away the goods from a dealer.

*Re-direct Examination.*

After a great deal of effort the money due on that account was finally collected in May, 1905, and then we took the goods away, and ceased doing business with Green. There were two reasons for this \$75 being due him at the close of the transaction. One was because in checking up the repairs we found that with the other repairs which  
555 we were compelled to take in, that is outside makes beside the I. H. Co., the repairs run over the last invoice. By reducing that difference to a net basis, in other words, taking off 25 per cent. commission which was allowed an agent, made some difference, about \$20, I think it was. The other difference was due to the freight which Mr. Green had been carrying in the repairs. He had paid the freight on the repairs shipped to him. When taken away he demanded to be reimbursed for the freight, and that made up the \$75.

*Re-cross Examination.*

I sent Green a check from the office for the \$75. Mr. Chapman wrote out the check; I saw it. Do not know whether it has been preserved or not. As to whether we had trouble with Green on the premises that depends on what you call trouble. I did not have a fight but had several arguments. Do not recall that Green said he had no notice or any discussion along that line. I recall no particular discussion with Green although we had one. I  
556 suppose those things always come up.

## III

152 A. H. JONES (witness for petitioner):

In 1905 I was in the implement business at Hastings, Neb., as C. L. Jones & Co. I have been in the business since 1896. Hastings has about 10,000 inhabitants. There were three dealers there handling the full lines.

In 1905 we had the McCormick; we handled it since 1901 or 1902. Another dealer handled the Deering and the other the Plano and Acme. In 1905 we were selling Plymouth twine; we also had a contract for a carload of  
 153 Ludlow twine. We had a dispute with the International because we advertised in the paper Ludlow twine at 11 cents retail. That was low; the price of Deering and Plymouth twine was 12 cents.

After this advertisement Mr. Haynie, the General Agent at Lincoln, telephoned to know if we were making this price. I said "Yes" and told him, in effect, that it was none of his business, that we were not buying twine from him. He said we must either put the price of Ludlow twine back to 12 cents or he would put two carloads of Plymouth twine in at Hastings and have it retail for less than we were paying. I told him to go ahead. That  
 154 evening Haynie came out, and my brother and myself and three International men, conferred. We refused to withdraw the price and Haynie said that we must withdraw it or they would stop doing business with us. I said "All right." We said that he could not have the goods until we saw our attorneys and Haynie said that while we were seeing our attorneys he would be taking the goods. We had, possibly, five or six carloads of McCormick machines and \$1,000 to \$2,000 worth of repair stock. In the morning we piled the stuff out and they had their teams ready to take it. Before we got the stuff checked, Mr. Gabriel, Haynie's assistant, stated that rather than disturb the business just before harvest when we had a number of machines sold, they would make this compromise: That if we would cancel the order for this Ludlow twine they would furnish us on consignment a car of twine under another brand that we could sell at any price we wished.  
 155 We accepted this compromise and put the goods back into the house. To have let those goods go would have represented a substantial loss to us.

The harvesting lines were an important feature of our

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business. We did not get the McCormick agency for the lines for the season of 1906.

*Cross-Examination.*

In 1906 we took on the Acme. The failure to renew our McCormick contract gave the Acme line the benefit of an agency with an established business. We have been doing a growing business with the Acme since then: sold  
156 between 15 and 35 in 1906; this year about 100.

II

510 E. B. CAMPBELL:

I live at Auxvasse, Mo., and till five years ago was in the implement business. I handled the Deering for several  
511 years. I quit the Deering one year before I went out of business. I had contracted for a few Standard mowers. They said I would have to cancel my independent contract before they would write me a Deering contract.

There was only one other dealer at Auxvasse. He handled the McCormick line; at that time the Deering and McCormick were pretty nearly the only machines there.

*Cross-Examination.*

512 I never handled any machine before the Deering. I quit the International about 1906 and took up the Johnston. I think I sold more Johnstons in a year than I ever sold Deering and International in a year. When the International took the Deering line away I had a gasoline engine and manure spreader. They agreed to give me the exclusive agency there on a manure spreader and gasoline engine. When they took the Deering away we  
513 just cut that business out. I sold out about the beginning of 1908.

*Re-direct Examination.*

They had refused this Deering line before the question of the payment of the gasoline engine came up. Pay-  
514 ment for the gasoline engine was not due. I told them that if they were going to take one thing to take the whole thing away. The purchase of the gasoline engine was made before we had quit the line. When we quit handling the line the gasoline engine had not been paid for.

507 W. A. SCHWOPE:

I reside at Weston, Mo. For several years I handled the Plano, Milwaukee and McCormick lines. There is just one other dealer at Weston, he handles the Deering lines. I handled the International lines up to 1907. In the fall of 1907 when I made settlement with the blockman, he wanted to know about contracting for 1908. I told him I was ready, and he asked whether I was going to handle the independent lines. I said I was. I had contracted for the Acme in Feb., 1907. He told me they would not put in their line if I handled the Acme. I told him he could do as he liked about it. That was the first year the Acme had been sold in that neighborhood; since then I have handled it exclusively. Platte City is seven miles from Weston. There is no Acme agent there that I know of. To the best of my knowledge there have been more International canvassers in Weston than in Platte City.

*Cross-Examination.*

509 In 1907 I had both lines and I pushed both of them. I testified in the Missouri case.

Q. Was this question asked you: "You have been fighting for the Acme people, contending for them?" and did you make the answer, "Yes, sir, the last few years we have. Q. And you are now? A. Yes, sir. Q. In 1907 and 1908? A. Yes, sir. Q. Is that right? A. Yes, sir. Q. You were fighting for them at the very time you were selling the America Company goods? A. We showed the people the difference. Q. You were fighting for the Acme people? A. Yes, sir." Did you give that testimony? A. I expect that is right.

I had the Acme on commission, just the same as the International.

*Re-direct.*

I did not sign for the Acme in 1907 until after I had contracted for the International.

*Re-cross.*

510 When I had both the Acme and International I sold 2 or 3 International binders, and I think 2 Acmes that year. The next year I sold 13 Acmes.

II

*Re-re-direct.*

I have only sold two Acmes this year. As far as I know there have been from 20 to 23 International binders sold in that neighborhood this year. No independent binder other than the Acme was sold at Weston this year.

III

140 FRED V. DALE:

I have been engaged in the implement business for six years at Minot, a town of 8,000 inhabitants. There are three other dealers who handle the Wood, McCormick and Deering.

Before I went to Minot I was engaged in the implement business at Browns Valley, Minn., for 14 years. In 1903, 1904 and 1905 I sold the Minnie binder which was well known in those parts. It was a good binder and my sales  
141 were good. When I sold that binder I supposed and said it was not manufactured by the I. H. Co. I had not been so informed. There appeared to be a demand on the part of farmers there for machines not made by any trust.

It was in part in response to such demands and in part because I considered it the best binder in the market that I sold the Minnie.

In 1906 when I went to Minot I handled the Champion and the Plano; in 1907 the McCormick. My business runs from \$50,000 to \$60,000 a year.

In 1906 and 1907 International agents asked me from time to time to buy wagons, manure spreaders, etc. About May, 1908, T. P. Mulick, the manager of the International,  
142 came to us and said they were going to take the McCormick as they wanted it pushed harder than I had been pushing it. Nothing was said about my not taking wagons and manure spreaders, cream separators or engines, except that he commented on the fact that I sold the Deere line instead of theirs. After that the McCormick lines were checked out of my store and the Ward County Implement Co. got the contract for 1908. Since then I have handled the Acme.

I think the McCormick and Deering lines do about 75 per cent. or 80 per cent. of the business in binders in Minot. Harvesting machinery is an important factor in attracting trade to an implement dealer's place of busi-

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ness. I have never handled any of the International wagons and manure spreaders. The blockmen suggested they would like to sell me some at any time.

143

*Cross-Examination.*

The General Agent said that I was not selling any of their other lines and they wanted the McCormick harvester pushed harder than I was pushing it.

The effect of taking away the McCormick agency was to leave a large business for the Acme and I took it on. The Acme was sold by another firm before they turned it over to me. It is a usual thing for a manufacturer to  
144 desire one agent to handle their line. This is very much true of the Deere Co. I used to handle the Stoughton wagon. The Deere people said that they did not want an agent who did not handle their line and they wanted me to take their line of wagons and abandon the Stoughton or else abandon their line. As a matter of fact I did not abandon the Stoughton wagon.

*Re-direct Examination.*

The Deere lines were not taken away from me when I refused to abandon the Stoughton wagon, as yet, but the Deere Co. is building a house in Minot now to take them. Mulick was very angry at the time. I sort of made  
145 a little sport of him and he alluded to my selling the Deere goods strongly. My conclusion was there was some friction between the Deere people and the International.

159 J. E. BROWN:

I am engaged in the agricultural implement business at Stewartville, at town of about 800 inhabitants, located in Minnesota. There are two implement dealers there. At present I represent the McCormick line and the other dealer the Deering principally.

I started in the business in the fall of 1906. In 1907 I handled the Deering harvester line principally, but I also had the agency for the Champion, Plano and Milwaukee, though I sold none of them. In the fall of 1907  
160 or the spring of 1908 I contracted with the Acme. I had a discussion with representatives of the International with reference to that contract and ultimately my Deering contract was cancelled. The representative of the Inter-

## III

national said he thought their interests would be jeopardized when he cancelled the contract. The Deering goods and the extras in the Plano, Milwaukee and Champion were taken away and in 1903 I handled the Acme  
 161 alone. In 1909 I took on the Deering lines again and sold about 15. I sold no Acme machines that year except what I had left from 1908. There was only one held over. In 1910 I had the Deering and sold about 15 but  
 ..... we sold no Acmes that year. We sold some Milwaukee grain binders. In 1910 I was the only dealer there. In 1911 a new dealer came in and took the Deering and I got the McCormick. I had an Acme contract but I did not sell any. In 1911 I sold about 30 McCormicks and two  
 162 Milwaukees. This year I sold 10 McCormicks but did not have the Milwaukee. I had an Acme contract for repairs.

In my immediate vicinity practically all the business in grain binders is done by the McCormick and Deering lines. Repairs are an important item in the implement dealer's business. They bring farmers to the stores. From the point of view of prestige, harvesting implements are an important line because they bring people to your place of business.

*Cross-Examination.*

I held a contract for the Deering until the spring of  
 163 1908. I had no real quarrel with them. I took on the Acme and have held the Acme agency practically ever since and still have a line of Acme repairs. The International has accorded me proper treatment and I have no especially complaint to make.

171 B. E. LEE:

I am engaged in the implement business at Watertown, S. D. It has a population of 7500 and there are four implement dealers there. I have been in the trade since 1880. During all that time there has averaged four implement dealers in Watertown.

In 1908 and 1909 I was handling the Deering lines of harvesting machinery. We had contracts with other firms, selling plows, wagons and manure spreaders. The International wanted us to take their other lines which we could not well do and they gave the Deering lines to other

III

172 parties. The Deering, McCormick, Acme and Johnston lines are handled at Watertown. I handle the Johnston. Another man handled the Acme up to this fall when he closed out and went out of business. One of the other two dealers handles the McCormick and the other the Deering. About 85 per cent. of the business around Watertown is in the McCormick and Deering lines in binders, mowers and rakes.

*Cross-Examination.*

I handled the Deering just one year prior to 1909. I had it in 1908 and 1909. I handled the Deere & Webber manure spreaders and line of agricultural implements. I could not handle the International manure spreaders and wagons because I was tied up with Deere & Webber.

173 When I found I could not act as agent of the International in selling the Deering machines without taking on other lines, it was a question of choice whether I would give up the Deering or the Deere & Webber line, and I chose to give up the International line.

*Re-direct Examination.*

The General Agent was the man who put the choice up to me.

*Re-cross Examination.*

174 He said he would like an agent who would handle the Deering and the other lines of the International. We supposed that we could not handle the wagons, etc., of the International and the whole Deere & Webber line too.

175 A. H. WELCHLIN:

I am engaged in the implement business at Fairmont, Minn., a city of about 6,000 inhabitants. There are four implement dealers there. I handle the Milwaukee and Champion, another dealer handles the McCormick and another the Deering. The fourth dealer does not handle any harvesting implements. He is the smallest dealer of the four.

I have been in the business seven years. When I began I took the Milwaukee. In the fall of 1908 I contracted  
176 with the Acme Company for 1909 and ordered a sample



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binder, mower and rake. The International blockman, G. M. West, said if I would take on the Acme line they would check out all the goods I handled for the International. I have some International wagons, manure spreaders and engines, but only their binders on the commission agency basis. The blockman said he would check out the repairs and the Milwaukee lines carried over from the year before and I could not handle any of their goods after the current contract had run out. Those goods comprised the larger part of my business so I cancelled the contract  
177 with the Acme. The Acme has no dealer in Fairmont.

*Cross-Examination.*

The International wanted our efforts to be directed entirely to selling their binders. When they so stated I acquiesced and have gone ahead as their agent.

130 G. W. SCHLOTTMAN:

I have been engaged in the retail implement business at Courtland, Minn., for 25 years. I sell the Deering and have handled that line for 14 years. Deering repairs have become an important part of my business. I think during that whole period I have sold around two hundred Deering binders and one hundred Deering mowers. Farmers  
131 who bought these machines have come to me for repairs, oil and twine.

In the fall of 1908 I signed a contract with the Deering for 1909. Shortly after that I contracted for the Acme lines for 1909. About May, C. S. Gibbons, our blockman, came and wanted to put in a carload of the International lines. I told him I would probably not need as many this year for I had a contract with the Acme. He asked if I liked those better than ours. I said no, but Mr. White was a friend of mine and some of the farmers had been talking the Acme which is handled in the next town. Besides the Acme is \$10 cheaper. He said "You can't  
132 have it, that is all there is to it. If you want that line then you have got to quit ours. \* \* \* As soon as you get a machine in here from the Acme we will have a man up here to take our line out, that is all." He made it so strong I finally had to cancel the contract with the Acme.

In Jan., 1910, Mr. Gibbons came again and asked if I wanted a contract. I asked him whether I could handle

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the Acme at the same time. We went over the same conversation again that we had the year before. He said: "If you want them you can have them but you can't have  
 133 ours." After some further conversation he picked up his papers which had not been signed and went out of the office saying he would come back. He did not come back until the latter part of February. I wrote Mr. McClure at the head office of the International at Mankato, and asked him if he was going to contract with me this year. I told him the conversation I had had with Gibbons. About the first part of March Gibbons came in again and asked me if I was going to handle the other line too. I said no because I wanted his line. He said "All right, then," and the contract was written up. I did not handle the Acme in 1910 because they wouldn't let me.

There are two general dealers in Courtland who handle the full implement lines. There is an elevator man who handles the Acme and a blacksmith who handles the Minnesota. I handle the Deering and the other regular  
 134 implement dealer has the Milwaukee. This year the other man also had the McCormick. I could not say whether there was any call for the Acme or not in 1909 and 1910.

I had tried to get the McCormick from the International nearly every year but they have declined because they said they would not have the Deering and McCormick handled together. The Acme and the Minnesota were both in there this year.

In 1899 the six-foot Deering binders were \$85; in 1901 I think they were \$93.

Our firm does a business of about \$25,000 a year. A farmer gets nearly as many free repairs now as before  
 135 1902. Woodwork is not given quite as freely as it used to be.

In 1909 and 1910 the Acme was not handled at Courtland. I have handled International wagons, spreaders and gasoline engines. I also have their cream separators.

The Minnesota State Prison sold one binder this year and three rakes. Repairs in harvesting machines are an important item in getting the farmer to come to our store.

### *Cross-Examination.*

I have handled the Deering 14 years. During that period the Deering Company has spent money in canvassing, and developing the trade and building up a good will. This

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136 money worked to the benefit of the agent who represented the company.

After all those years I wanted to put on our floor a cheaper machine in addition to the Deering line. In that case people who came to our store because we had handled the Deering machine and because of the repairs we had for the Deering, would have exhibited to them the Acme, a cheaper machine.

When Gibbons came in in 1909 I told him I did not expect to buy as many Deerings that year as previously because I expected to sell some Acme. The sales I would make on the Acmes would limit those I would make as an agent for the Deering. He objected to this procedure and said I had to choose between the Acme and the Deering.

137 In 1899 the six-foot Deering was \$85; in 1901, \$93; in 1903 they were \$95. They carried the same attachments each year. I have handled plows, wagons and tillage im-  
138 plements. In proportion the prices of those goods rose more than the binders.

The Acme found a grain elevator man to handle their machines. His business brought him in contact with the farmers throughout the territory because the farmers came to him with their grain.

The Minnesota State Prison found a blacksmith and they furnished men to set up machines for him.

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*Re-direct Examination.*

When the blockman told me we should not handle Acme lines, neither the International nor the Deering Co. owned any interest in our business.

Neither the elevator man nor the blacksmith sold any other kind of machines. I do not think either of them could set up a machine or a binder. I can set up machines but the other two implement dealers I have mentioned do not. The companies send men to set them up for them.

## 156 CHARLES HULL:

I am engaged in the retail implement business at Edgeley, N. D. It has about 900 inhabitants. There are two regular dealers there but the Independent Harvester Co. put some agent in there this year. They have got a good  
157 business there. Of the regular dealers one handles the

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Deering and, I believe, some McCormicks and Milwaukeees.

I started in business in 1909, and later bought John Giffert's business. He had bought Shields & Weaver's business, who had been handling the Deering lines. Fields, the blockman, came to my office to see about our handling International goods. He wanted me to take the McCormick and I said I wanted the Deering. Finally, he offered me the Deering binder if I would buy a carload of twine and a carload of wagons. I offered to buy the twine but not the wagons, but I could not get the agency for the Deering line on those terms. Shields & Weaver returned to the business and got the Deering line. A man  
158 named Murphy got the contract for the McCormick lines but they were really all sold from Shields & Weaver's store.

I am handling the Acme now.

*Cross-Examination.*

I have handled the Acme since that time. I handle the Deere Plow Co. line.

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471 H. C. SIMMONS:

I live at Pilot Grove, Mo., and in 1908, 1909 and 1910 sold harvester lines. I bought out a general hardware and harness store. Long & Son handled the McCormick.  
472 I handled the Deering line one season. In 1909 I took on the Johnston line. The I. H. Co. blockman said he would not renew their contract with me if I continued my contract with the Johnston people. At that time I had signed with the Johnston. I did not get the Deering for that year. Repairs in the implement business help some in a man's business at that time of the year. It brings the farmers to the store. Most of the harvesting machines in the neighborhood of Pilot Grove are Deering and McCormick. Mr. Schwitzer, a blacksmith, got the Deering for the year after I took them. He had not been in the business before. The Johnston had not been there before I took them. The Deering line had been there for years.

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*Cross-Examination.*

I handled the Johnston under a cash contract. I bought them outright and paid for them. The contract with the Deering was a commission agency contract.

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54 J. J. SALLASKA:

I live at Weatherford, Okla., and am engaged in the hardware and implement business. I handled the Acme harvesting machinery and have handled that line for two years. Before I handled the International. The last International binders we sold were in 1909. In 1910 we sold some Champion mowers. We always handled other mowers than the International—the Thomas “Crown.”

Mr. Roberts, our International blockman, said we must handle an International mower or no International goods at all. I told him we would not discontinue handling the Crown mower. They took away the Deering and McCormick goods which I had and left the Champions. The Deering and McCormick are the best known lines in Oklahoma. There are two other agents in Weatherford today. One handles the McCormick, the other the Deering. The International does practically all the grain binder business at Weatherford, and it does all the corn binder business there. It does from 65 to 85 per cent. of the mower business. I judge that the International does in the vicinity of Weatherford 65 to 85 per cent. of the total business in agricultural implements.

*Cross-Examination.*

There are two agents besides ourselves in Weatherford. One handles the McCormick and the other the Deering. I handle the Acme.

Two years ago one of the agents handled the Dain mower and the Deering mower at the same place. As far as I know, he now has them both. Any farmer in our village can get any harvester or mower he wants. He can get what we have got and if we didn't have it on hand we could get it for him. We are doing business with the International this year and have done \$5,000 or \$6,000 worth of business with them. A year or so ago we wanted the McCormick line. I knew we could not get it because the other agent would not want to give it up.

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He had handled it ever since I knew him. At that time, however, I would have liked to have had it.

We handled the "Crown" mower at the same time we sold the International goods. When finally we made our choice and kept the "Crown" and gave up the International, it was quite satisfactory to us.

## 58 ARTHUR DAAB:

I live at Belleville, Ill., and am engaged there in the implement business under the name of the Belleville Implement & Motor Co. There are two other dealers in Belleville. I have handled the Deering lines since we started in 1907. We took them over from W. L. Batdorf & Co. The Deering repairs were a considerable item at that time in the business.

One of the other dealers in Belleville handles the McCormick and the other the Champion. In 1910 we took on a few Acme mowers. No one had been handling Acme mowers in that vicinity. The International blockman named Albert Jackel came over and when he saw we had those Acme mowers he said they would not couple on with any other kind of mower; that they would pull out. He returned the next day with a man named Chapman and said they wanted us to give up those mowers. They called about it every day for two or three weeks.

We had at the time a carload of Deering binders and mowers on the road which we had sold to farmers and they would not ship them as long as we had those Acme mowers in the shop. I wrote the Chicago house and the answer I got was that everything was left to the East St. Louis house. Mr. Jackel said we could deliver the two Acme mowers we had sold but the other machines must be shipped back. He said before we ship the carload of machinery, I want to see the bill of lading showing that the Acme mowers have gone back. I mailed the bill of lading to the general agent at East St. Louis—Peterson. The carload of the Deering lines of mowers and binders then came to us. No one is handling Acme mowers in Belleville today. There is no agency for an independent line within 20 or 25 miles of Belleville.

61 In 1908 the Harvester Company allowed us freight on all carload shipments made to Belleville—that is, we paid the freight when the car arrived and at settlement

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we were allowed the freight back. The freight on a binder is about \$3.20.

62 Before 1908, as to less than carload shipments, we paid the freight from East St. Louis to Belleville. Now when we take a carload we must pay the freight charges from Chicago to East St. Louis and our own freight again from East St. Louis to Belleville and we also pay freight charges from Chicago to East St. Louis on less than carload shipments. That change in the freight allowance made a considerable difference on the cost of the binder.

*Cross-Examination.*

Mr. J. S. Funk was my partner in the Belleville Implement & Motor Co. He was with me till about a year ago. 63 While we were handling the Deering line we sold three Emerson mowers, some Dairy Queen cream separators. We got those Acme mowers in 1910 on commission.

64 When the blockman said he did not want us to handle the Acme, I wrote the Acme Co. some letters but it was not to get advertising out of it. I mailed my letter to the Acme without signing it. The Acme man came back and had Mr. Funk sign it. When the Acme man came back he said: "It is no good to us unless you sign it." They used that letter with our knowledge for advertising purposes all around Belleville.

*Re-direct Examination.*

I did not handle the Acme mowers after those were sent back. What advertizing the Acme did was not to promote my business.

I asked the Acme to keep that letter by themselves.

65 *Re-cross Examination.*

Belleville is about 14 miles from East St. Louis. I guess a farmer can get from Belleville any machine he wants quickly and easily.

I could get the Acme, Johnston or Wood.

104 GEORGE R. BORGMANN:

I am engaged in the implement business at Sauk Centre, Minn., doing business under the name of George R. Borgmann & Co. In 1908 and 1909 I handled the har-

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vester lines of the International—the McCormick and the Milwaukee and had a repair account for the Champion.  
 105 There was one other dealer there then and he handled the Deering. The Deering and McCormick lines have been sold there about 25 to 30 years. At that time there was no other well known line there. During the last ten years the two principal lines have been the McCormick and Deering. I had a contract for the McCormick line in 1910.

I think I signed this in the fall of 1909. I lost the agency the following spring. I contracted with the Acme and had a sample machine of the Acme binder, mower and rake sent up. The International blockman told me if I handled it I could not handle their line of goods, and if I continued to handle it they would take their goods out. The Acme lines had been sold up there before but they were not represented at that time. I asked the blockman to give me ten days time to think it over. He came back in a week or ten days and I told him I had decided  
 106 to handle the Acme and did not care to have anybody dictate to me the lines I should handle. The contracts were then cancelled. I had had no trouble with them before that.

I think the binder is an important item in the implement business. When a farmer gets a make of binder he feels under obligation to come and get other machinery because the binder needs repairing from time to time and this induces the farmer to come to your store for repairs and twine and other things that are necessary.

Our company does about \$40,000 of business a year. After this line was taken away I advertised in local papers making reference to trusts, dictation, etc. Before that I never opposed the sale of their lines.

I was subpoenaed in this case. The blockman's name I mentioned was Howard Lufkin.

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### *Cross-Examination.*

The McCormick was one of the best known binders made. I had handled it for some years and the people who wished it were in the habit of coming to my place of business. When repairs or twine were to be purchased they would come to my store. In 1910 we put the Acme line on the floor. Everyone who came to my store then



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would see the Acme as well as the McCormick. C. C. Web-  
 108 ber of the Deere & Webber Co. was my partner at the  
 time. We consulted and concluded to keep the Acme.  
 The Acme is now a well-established binder in our terri-  
 tory.

## 168 THOMAS BOHNEN:

I am engaged in the implement business at Melrose,  
 169 Minn. Its population is about 2,600. There are four im-  
 plement dealers there. At present I handle the Acme.  
 The Minnesota is handled by one of the dealers and the  
 Deering and McCormick are handled there. I handled  
 the Champion from 1900 until 1910. In 1902 the McCor-  
 mick, Deering, Milwaukee and Minneapolis, I think, were  
 represented there.

In 1910 I contracted with the Acme for that season. I  
 got a sample of their lines in our store. The Interna-  
 tional blockman saw the sample there but made no ob-  
 jection to it in the beginning. About May 1st, however,  
 170 the blockman, Howard Lufkin, wanted us to discontinue  
 the Acme and I told him we could not do that because we  
 had about 28 orders for Acmes which we had to fill. They  
 wanted them refilled with International machines but that  
 could not be done because the people who bought Acmes  
 did not want the International. He said if we would not  
 discontinue the Acme he would want the contract and  
 take away the Champion extras. I told him he could have  
 it and he got it. The Champion repairs and goods were  
 then checked out.

*Cross-Examination.*

I have been in the implement business since 1900. The  
 blockman saw the Acme sample in the beginning of the  
 year and made no protest. During the two months that I  
 sold 28 Acme machines I sold no Champions whatever.  
 After I had sold 28 Acmes and no Champions the block-  
 man objected and said we had to choose which one we  
 171 would take and we chose to continue the Acme.

## 145 E. A. PATTERSON:

I am engaged in the implement business at Clyde, Kan.  
 Have been handling the Deering 15 or 16 years. There

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are three implement dealers there. The major portion  
 146 of the time the other two dealers have been handling the McCormick and the Minnie. They seemed to be able to get plenty of Minnies until two or three years ago.

The Deering machine is one of our leaders and is important in bringing the farmer to our store and getting our other trade. The farmers come to us for repairs. Since 1902 I think about 95 per cent. of the binders, mowers and rakes sold in that vicinity have been either Deering or McCormick.

Within a few years I have handled the International engines. Those engines were taken away from me. I was handling engines from other companies at the same  
 147 time. I suppose the reason the engines were taken away from me was because I did not sell enough of them. I told Mr. Johnson, the blockman, that I saw no reason why he should take the engines. He said they had no complaint about the number of engines I had sold for them, but about the engines I had sold for others.

*Cross-Examination.*

He wanted a man to push his particular engine.

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426 GEORGE A. WEYLAND:

*Direct Examination by Mr. Grosvenor.*

I am engaged in agricultural implements at Boonville, Mo., doing business under the name of Roeder & Weyland; I started with the firm of George Roeder, who handled the Champion line from 1894 until 1897. Then I handled the Champion under the name of George A. Weyland & Co.,  
 427 and Roeder & Son were agents for the McCormick. We had separate establishments. In the fall of that year, 1897, we merged the two businesses under the name of Roeder & Son. We handled the Champion machine and the McCormick was refused to us at that time unless we agreed to drop the Champion. This we refused to do. Then they attempted to have us guarantee not to sell over twenty Champion binders if we retained the McCormick and we refused the offer. We handled the Champion until 1901.

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428 My papers show that the contract with the McCormick people was on January 27, 1897; the first contract with Osborne & Company was February 15, 1898; the third contract was May 29, 1899, and I think we continued to handle the Osborne until the fall of 1904 or 1905; on Nov. 14, 1899 we contracted with the Deering Co.

After 1902 we handled the Champion and Osborne until the Champion was taken away in the fall of 1903. That year the same controversy came up and there was a letter from the Champion people waiving the exclusive clause on hay rakes, sweeps, stackers, etc., but holding it on binders and mowers.

438 The Champion was given up because we would not give them the exclusive clause; they took it away from us and gave it to a groceryman named Ed. Stegner.

439 In 1905 we handled the Deering, Champion and Osborne machines. At no time from 1905 to 1908 were there more than three implement dealers at Booneville, but, in addition, there was a blacksmith who handled a few Buckeye mowers.

440 After 1906 or '07 we took another line besides the Champion, Deering and Osborne. In 1910 we took on the Johnston line which is known as an independent line manufactured by the Johnston Harvester Company at Batavia, New York. We continued to handle the other lines for that season only.

There were a number of circumstances attending giving up the other lines. In 1910 they had given me a contract on several lines and they violated the agreement by the first day of July of that year by shipping to the Boonville Mercantile Co. eight Corn King spreaders and giving them Boonville and vicinity, covering the same period and territory that  
441 our contract covered. We demanded indemnity for breach of contract. I wrote to Mr. Funk about Aug. 23 and did not hear from him, but a day or two later, before September first, the date I had given them as a final date for settlement, Mr. T. N. Funston, agent at St. Louis for the International, called on me and agreed to give us as damages or rather a commission of \$27.00 on each machine sold to the Boonville Mercantile Co. in violation of this contract. When our annual settlement time came, I wrote Mr. Funston reporting what they had sold—that letter is in the bunch of papers there, and on the back of it he

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indorsed, "I will settle this with you personally, Funston." Mr. Funston was shortly thereafter transferred to another territory and Mr. H. L. Brubacker became manager at St. Louis. In January, 1911, Mr. Funston, Mr. Laufman and Mr. Roeder and myself had a conference at the Western Implement Retail Dealers' Convention at Kansas City and attempted to get together. They insisted that we purchase a certain number of manure spreaders, and tillage implements which were totally out of reason for our trade. We were chided for having purchased the implement business of H. T. Hudson & Co., which had occurred a short time before that—they were agents for  
442 the McCormick—and were charged with having driven them out of a home for the McCormick. Just to show we were good fellows, we told them we would take the McCormick and house it for them and act as agents until they could find suitable agents. Mr. Laufman swore he would not allow the Deering and McCormick in the same house. I told him that I knew this situation existed at Sedalia and Marshall. He called in the general agent at Kansas City and asked him if this were true and he said that under the existing circumstances and being unable to do better they had made a contract by which the Deering and McCormick were both handled in the same house at those places.

When we refused to tie ourselves up to a purchase of stuff that we were not justified in buying for the wants of our trade, they told us they would waive that provided we would throw out the Johnston machine. This we refused to do because our relations with those people were  
443 pleasant and their goods satisfactory, and having introduced them we owed our trade the protection of carrying the extras, etc. Then they told us flat footed they would not go to bed with anybody under any circumstances, meaning that they would not put their machines in the same house with the Johnston machine. We went home and the thing drifted along until sometime early in the spring.

At that time they again made an offer and attempted to bind us to a purchase of a certain amount of their straight sale goods, disc harrows, peg-tooth harrows, sweep rakes, etc. We refused and we again refused to throw out the Johnston and they made up a contract with

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Ed. Stegner who had a grocery store. He was not in the implement business at that time but had been previously up to 1901 or '02. Since then we have done no business with the International Harvester Company. We have never been able to settle our account. They have written us letters; they are right here in this bunch, notifying us that they had placed our account in the hands of Judge Williams of our town.

The Judge's representative called on us; we showed him our records and everything and we have heard nothing from him since, only we get annually a statement from the International to pay us. We acknowledge we owe them money and want to pay it but we want what is coming to us also. I do not blame the present manager, Mr. Brubaker. He knows very little about the agreement between Mr. Funston and ourselves.

Witness then identified the following letter dated March 30, 1898, addressed to George Roeder and signed Warder, Bushnell & Glessner.

## PETITIONER'S EXHIBIT 173.

"To enable you to meet the low prices made by competitors on binders we will furnish you a limited number of our 1897 type of binders at ten dollars off prices named in our current contract with you. We will if desired furnish you a few of our standard style of binders at seventy-five dollars each including truck and carrier, to enable you to meet prices your competitors make on this type of binders. Terms named in current contract."

Witness then identified a letter dated March 30th, 1909, addressed to Roeder & Weyland signed by the International Harvester Company of America together with two contracts attached, one being for Deering lines and the other for Champion, both signed by T. N. Funston.

The papers were then marked Petitioner's Exhibit 174 and offered in evidence but were not copied into the record.

The Witness: Referring to Pet's Exh. 173 with the Champion contract for the year 1898 attached as part of the exhibit, the price of the 6-ft. binder is there stated to be \$95, if accounted for to first party in notes of farmers as provided herein; that is, in two payments, and \$90

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where all the cash was paid on September first of that year or October first, whenever the contracts provide, they varied a little. The \$10 reduction referred to in the letter dated Mar. 30, 1908, meant \$10 reduction off the figures I have just named. That would make the binder cost \$80 cash Sept. 1st, \$85 in two payments. I had the Deering contract for 1898. Under that contract (referring to Exh. 174) the price for the 6 foot Ideal binder in two equal payments was \$107.50 with bundle carrier.

Sometimes the bundle carriers are charged for as an extra and other times, as in this instance, they are added  
 447 to the machine at a given price; if sold separately they usually charge \$3.50 for them. Under that contract for the Champion line for 1909 the price for the 6 foot binder for that season on two equal payments was identically the same, \$107.50. It was the same sort of machine I was buying in 1898 for \$80 or \$85 with the natural changes that ensue with years, not identically the same machine. I do not think the 1909 machine was any better.

Pet's Exh. 175:

PETITIONER'S EXHIBIT 176.

448 Roeder & Weyland's contract for Osborne line for 1908 and letter dated Dec. 24, 1907, addressed to them and signed International Harvester Company of America, by T. N. Funston, general agent. The letter states that the prices have been slightly advanced over 1907 prices; that this advance was unavoidable owing to the increase of factory costs. "You will notice that we have made the net price on binders to cover the machine with bundle carriers only, and have named a net price of \$3.00 on transports. This for the reason that quite a good many farmers do not care for the transport, and you will notice the net price has not advanced very much where a full cash settlement is made. The advance on machine does not anywhere near cover the increased  
 449 cost of manufacturing them."

450 Similar letters were received by us in regard to the prices of the Champion and Deering machines.

## PETITIONER'S EXHIBIT 179.

242 Contract between I. H. Co. of Am. and George Roeder & Son, appointing the latter agents for the Champion lines for 1903 at Boonville, Mo.

Also a letter dated April 2, 1903, from I. H. Co. of A. to Roeder & Son, suggesting retail prices as follows:

"In accordance with Clause Five of our contract with you, we suggest the following retail prices at which our machines should be retailed this season:

|                          | Time<br>Price | Cash<br>Price |
|--------------------------|---------------|---------------|
| Binders, 5 and 6 ft..... | \$125         | \$120         |
| Mowers, 6 ft.....        | 48            | 46            |

etc., giving prices on all sizes of binders, mowers and reapers.

In view of the present prices of material, the above figures are very reasonable. No canvassers are authorized to change prices or terms, and all orders taken by them are subject to your review or approval."

The Commission Agency Contract fixes the agent's commission at the difference between the prices at which said machines were sold and the following net prices:

|                          | Time<br>Price | Cash<br>Price |
|--------------------------|---------------|---------------|
| Binders, 5 and 6 ft..... | \$100         | \$95          |

etc.

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*Cross-Examination.*

451 I brought all the papers from my records in response  
 453 to a subpoena. Prior to 1902 I do not think we ever signed an exclusive clause contract for anybody. Before 1902 all of them had the exclusive clause printed in but I refused to sign them. I felt that I should run my business to suit myself. I had a contract which gave me exclusive right to sell in Boonville and vicinity on the  
 454 spreaders in controversy. I did not propose to handle anything that any one else handled in the same town. I insisted upon an exclusive contract for myself as far as the territory was concerned. Boonville is the county seat of Cooper County; it is a large county and there are a  
 455 number of good towns in it. I did not take the position that I wanted the whole of that county as exclusive terri-

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tory except as to new articles I was introducing. I did not insist on that, as a rule, as to binders and mowers. I remember when I handled the Champion binder in 1895,  
 456 which was a new binder there, I insisted that they should give me all of Cooper County. For a number of years I enjoyed the exclusive privilege of handling the Champion machines in Cooper County. I think that is also true of the Osborne. I do not think I tried to get the exclusive right to sell the Johnston machines throughout our county. I had a transfer contract with them which covered several counties.

I think I made a demand of the I. H. Co. that it should give up its agency at Blackwater and at Goochville, both of which are 16 miles from Boonville, and that if they did not do so I would not handle their goods. I did this because the dealers there were cutting prices so that it was  
 457 ruinous. I did not care to be representing any machine we could not make a reasonable living profit from. There was competition between the agencies at Blackwater and Goochville and myself. I did not believe in cutting prices and competing that way. I wanted to eliminate that competition or eliminate my contract. I refused to let the agent at Blackwater have any repairs needed by the farmers in his vicinity. The reason I refused those repairs was as follows: Roeder and Weyland had the nerve and brains to work and see that they had a full supply of repairs on  
 458 hand. We had to pay our money for certain repairs that were ordered by express. The agent at Blackwater wanted us to let him have some repairs as a transfer. I did not care whether it was right in the middle of the harvest time or not, if the house was on fire it would have made no difference. I would refuse at any time to let them have it. In fighting the Harvester Company I merely did what was necessary to protect my own business interests. I frequently had farmers come to me who stated their machines were not doing good work and  
 459 I told them repeatedly that until the machines filled the warranty they did not have to pay for it. I do not recall advising farmers not to pay in any cases where there was no question about the machine being up to the guaranty. I do not recall ever telling any dealer not to pay the International for machines the dealer got from the company and sold.

462 The Department of Justice sent out a man named



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Charles P. Pray, and he took a lot of our papers. That was along about Thanksgiving, 1911.

463

*Re-direct Examination.*

These manure spreaders at the time I was speaking of were practically all new in that territory. Neither the Champion in 1896 or 1897, nor the Osborne had any business in our territory. The Deering and McCormick, and prior to that the Wood, had business there. Today the Deering, McCormick, Champion, Johnston and Acme are represented.

I am recognized as an expert machine man. Farmers would come in to us and make complaints and would frequently take my advice on how to remedy evils.

465

When a company wants me to represent their lines, wants to put samples on the floor, wants me to furnish canvassers and go out into the country with their representatives and advertise machines, I am not justified in giving such a contract if they put another line with my competitor across the street. Hence, we insist on having the exclusive sale for a given territory.

The Deering is a distinct machine; it is different from the McCormick and it has its friends.

466

It is a legitimate and recognized form of business among business men everywhere to have exclusive contracts. You will find coffee and other things sold exclusively by certain men in certain towns.

*Re-cross Examination.*

We do not want another competitor to drop the price \$5.00 and get the business away from us after we put in our expense in working the business up. The exclusive right to sell a brand where its reputation has been distinctly built up on its name and its merits, seems to me reasonable. A man should be given the right to exclusively handle a Deering and McCormick harvester in any one town.

467

I will give to the Examiner a statement showing the number of Johnston binders and Johnston mowers I sold in 1909, 1910, 1911 and 1912. I do not remember what the amounts were; that is too cheap work for me to look after.

I cannot recall at present the name of any farmer who complained that the International machines were not

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coming up to standard, and who discussed with me the question as to whether they should pay for them or not. I dismiss such matters from my mind because there is no money in it for me.

468 I am a member of the Western Retail Implement and Vehicle Dealers' Assn. They requested us to establish local unions comprising several counties in order to create a better understanding among the merchants. I joined one of these which was organized by A. G. Blakey. The Western Retail Dealers' Assn. discountenanced any such thing as private agreement. I made my own prices and sold at those prices.

469 I do not think it is right to have grocers and farmers as agents in the agricultural implement business. It is setting up competition against experienced men by inexperienced men who seldom stay more than a year or  
469 two. The blacksmith is a better man than a grocer or butcher. While we run a carriage and blacksmith shop, I am not a blacksmith.

#### DEFENDANTS' EXHIBIT 7.

470 Commission agency contract between McCormick Harvesting Machine Co. and George Roeder, Jan. 27, 1897.

By the contract the Company appointed George Roeder as their sales agent for harvesting machines, twine, binder trucks, bundle carriers, flax dumps and repairs in the territory described as Booneville and tributary trade. The agent agreed not to accept an agency for or be interested in the sale of any other harvester or binder, reaping or mowing machine, directly or indirectly, while acting as agent for the McCormick Company under the contract.

470

#### DEFENDANTS' EXHIBIT 8.

Contract made Dec. 5, 1896, between the Warder, Bushnell & Glessner Co. and George A. Weyland & Co.

By this contract Weyland was appointed special agent for the sale, on commission, of Champion binders, mowers, reapers, attachments and repair parts in Booneville and vicinity. The agent agrees to make all reasonable efforts to sell the machines in the territory described by exhibiting machines, distributing printing, canvassing the territory, etc., and agrees that they will not

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canvass or solicit orders or sell machines in the territory assigned to any other dealer or agent, and that they will not act as agent for any other binding, mowing or reaping machine, nor permit an employe, agent or partner to act for them, and that they will pay as liquidated damages \$25 for each machine sold in violation of the agreement.

## III 100 FRED BABCOCK:

I have been engaged in the implement business at Ripon, Wis., nearly seven years. When I started I think the Milwaukee was the only contract we had. We sold some Champions. That was in 1906. After that I took the McCormick and handled it several years. There were  
101 three other dealers in Ripon—one handled the McCormick and the other the Deering.

After we took the McCormick there were only two dealers there. We did not have a contract for anything else but they allowed us to sell the Milwaukee and the Champion. I think the other man took the Deering. Ripon has a population of 3,000. We discontinued handling the McCormick because they refused to give us an agency for it. Their blockman, E. A. Snyder, came in and said he wished to talk over the business situation. This was the first part of 1911. He said if he gave us a contract on the McCormick we would have to buy more goods. I said I don't know how we can determine whether we can sell more. No kind of goods had been named up to that time. I said "We want a car of twine, and a car of binders, and probably a carload of other things." These would be  
102 mowers and rakes. He said if he let us have that contract we would have to take some spreaders, gasoline engines and wagons and that we ought to take some separators. I said "The goods we are handling satisfy us." We had been handling the Fairbanks & Morse engine, the Great Western manure spreader, the Stoughton Wagon Co. wagons and the De Laval cream separators. He said he wanted us to take a carload of spreaders, that is twelve, and I told him we could not handle a carload of anybody's spreaders.

The contract was not given to us for the McCormick lines that year.

The goods were checked out after that conversation

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within two weeks. The McCormick lines were given to Fred Luck. He was not engaged in the implement business there that I know of before then.

We did not try to get another harvester line but the Johnston agent came there and we took that line. Before that they had tried to have us sell their lines. We told them we were satisfied with the McCormick.

103 In my judgment harvesting lines are important in the implement business. It causes farmers to come to your place for extras. If they should see other things while looking for extras and twine, we would be liable to sell them.

There is nothing else that causes the farmer to come to the store as often as the binder.

*Cross-Examination.*

The blockman said he felt we ought to sell more of the company's goods. The way we were tied up with other manufacturers we were not in a position to sell as many things as the blockman wished. There was no quarrel about it. They have furnished me repairs.

They fell down on the orders I sent in this year, but up to that time I received the repairs as I ordered them for  
104 my old customers. When I saw the McCormick line of binders go to a new agent I did not get excited.

*Re-direct Examination.*

When the blockman said that we ought to sell more goods I think he meant twine. He complained that we should have sold more twine. Later he spoke about the manure spreaders and other lines we should take on.

148 GILBERT HAGEN:

I have been engaged in the retail implement business at Adams, North Dakota, for six years. In the fall of 1910 there were three dealers there. One of the other two dealers handled the Deering and the other the McCormick. In the fall I bought out the one who handled Deering. At that time I was handling the Acme and the Champion.

The next year I had a discussion with the International blockman about getting the Deering contract. The contract which originally was the other dealer's was

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149 tended to me for 1911. Mr. Baldwin was the blockman when I got the contract and Mr. Ladue took up the block the next spring. About the 1st of June the McCormick man and I concluded to order a carload of rakes and mowers. The blockman visited the McCormick man first and then came over to my place and after I gave him a list of what I thought I would need I told him how many Deerings and how many Acmes I had on hand. He said a good many things that would not be right to repeat here. He said he couldn't give me the Deering when I handled the Acme. I told him he did not have to sell me any Deerings unless he wanted to. Possibly a month later he came back with an extra man and said he wanted  
 150 to check out our Deering extras. He said he wanted the commission extras. I said he couldn't do that unless he took the whole International line out. He finally picked up his grip and left and I didn't see any more of him. Mr. Baldwin came up—the specialty engine man—last spring and took out the commission extras and left the cash extras. Nothing was said as to a contract for the next year, because I would not have taken it anyway.

After they took the Deering line they placed it in the same house that I bought out the year before. It was not supposed to be the same man but it was the same party that furnished the money. We bought from H. A. Anderson & Son and the business is now run as the Bergeman  
 151 Implement House. The man from whom I bought the Deering line had agreed not to go into the business again in that town for five years, or so long as I and the other party were in business there. They checked out the Champion lines at the same time they checked out the Deering.

I judge that 70 per cent. or 75 per cent. of the binders sold around Adams have been Deering and McCormicks. The harvesting lines are important to the implement dealer's business, as are repairs. There is more profit in handling repairs than anything else.

163 F. E. GOLDAMMER:

I am engaged in the implement business at Lakota, N. D. This has 1,100 to 1,200 inhabitants. I have been there since 1895. On the average there are three implement dealers there. I handle the Acme line and one of the  
 164 other dealers has the McCormick, and the other the Deering.

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I had a contract for the Deering last year and I had the Deering in 1907. I did not handle it in 1909. I had some disagreement with the International or its General Agent on account of some twine. "That is what I take it to be was the cause." I ordered some twine from the International and also some Plymouth. Then the twine trade did not look as though I could sell more than one carload and I cancelled the International twine. The blockman said "If you cancel the twine you can't handle our binders." I refused to give my contract back and Mr. Hazlett, the General Agent at Grand Forks, demanded it, but I did not give it up. For the next year they would not give me a contract for the Deering but I did handle the Deering in 1910 and 1911, but not in 1912.

165 I took on the Acme line in 1909 because I did not have any contract with the International. In 1911 the blockman asked me if I would continue to handle the Acme binders and I said "Yes." He said if that was so he would not contract for me for 1912. The consideration for my getting the contract back in 1910 was that I should buy International wagons, engines and twine. These goods I got on direct sales basis; the binders on commission agency contract.

*Cross-Examination.*

166 During 1908 I was the agent for the International at Lakota selling the Deering line. I concluded that I had ordered more twine than I could sell so cancelled the order I had given the International, whose agent I was, and continued the twine order with the Plymouth Company.

167 I took the Acme line in 1909 and have handled it ever since. In 1910 and 1911 I handled the International and the Acme together. As a result of their experience during those two years the International told me they did not care to continue that relationship any longer. It was up to me to decide whether I would take the Deering or the Acme and I decided to take the Acme. I handled the Moline Plow Company's line of plows and have handled it three or four years. Before that I had the Emerson and some of the Racine Sattley. I believe I had the Emerson and the Racine Sattley at the same time. As a rule, I would only represent one plow at a time. In the wagon line I would represent one line one year and another line the next year. That was the general rule. I have had

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the Studebaker, the Winona, some Lake City and some International wagons.

168

*Re-direct Examination.*

The International wanted to have agents handle their goods exclusively and not give the others a chance.

*Re-cross Examination.*

When they had an agent handling their line they wanted him to sell their harvesters and not take his time trying to sell other harvesters.

*Re-direct Examination.*

I had the Deering and Acme, and another dealer had the McCormick. There were only two dealers in the town at that time.

193 J. E. McDOUGALL:

I am engaged in the retail implement business at Britton, S. D. I have been engaged in that business, with the exception of five years, since 1890. The leading lines of harvesting implements there are the McCormick and the Deering. Prior to 1906 I handled the McCormick lines for a number of years.

194 About June 26, 1906, Mr. Baxter, the International blockman, asked me if I was expecting to sell those goods, pointing to an Acme mower which I had set up. I had not handled it before. I told him "Yes," and he said, "Well, you can't sell those goods with ours, we will not permit you to do that." I said I had only shipped in four mowers and two binders, and there were a few calls for Acme goods, that one man in particular wanted an Acme binder and would buy it even if he had to go to Aberdeen for it, which is some 45 miles away. He said, "Well, if that is all you have and you will keep them in the back yard, you may have the carload of McCormick machinery." I told him I would do nothing of the kind. Just then a dray drove up with the McCormick goods and he instructed the drayman to take the goods over to Mr. Kenny, my competitor. Kenny was selling the Deering and Plano. I did not handle the McCormick that year. A special man was sent to check out our repairs.

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I handled the McCormick line in 1907 and thereafter, in  
 195 connection with the Acme. I continued handling the McCormick until about April, 1912. At the settlement in 1911, Mr. Noel, the blockman, stated he would act as blockman for the McCormick line and would deal only with the McCormick agents instead of making settlement for all the machines in our town as had been the custom. He said I could not handle any but the McCormick next year; that he was going to cut out all agents unless they handled the line he represented; that they did not like to sell their goods to any agent that handled the Deere line and that they must have more business from Britton in the way of discs, wagons, cream separators, etc. Mr. Noel was changed from our territory but Mr. Card became blockman for the McCormick line for this year, and a Mr. Clark, a special man, came to our town twice. This was in the spring of this year. He said they wanted more business and wanted to know if I would not buy more of their goods. I told him no, that I was handling this and that—Winona wagons, and different things, and that I  
 196 did not care to buy any more of their goods. He said, "We will take the McCormick line away from you, then." So they got an elevator man to sell the McCormick line this year. There was a Deering man in Britton who handled some of their wagon lines and other lines besides harvesters.

They wanted to give me different wagon lines, and different cream separators and engine lines than he was handling. The goods were checked out when I refused to take these things.

Until this year there were three retail dealers in Britton; one handled the Deering, one, myself, handled the McCormick, and the third handled the Dain and Standard mower. Britton has about 1,000 inhabitants.

## 197

*Cross-Examination.*

In 1906 I was asked if I was going to push the Acme I had on my floor, and I said "yes." They did not object to my handling that provided I did not have them out in front. The idea was that he wished me, as his agent, to put my whole effort on the sale of his binders. The next year I handled both the Acme and the McCormick



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- and pushed them both. I sold about the same number of  
 198 each. I think the same is true in 1908, 1909 and 1910. Some years perhaps we would sell one more of one than we would of the other. We sold more McCormick mowers than Acme mowers. When they checked the McCormick out in 1906 they sent the machinery to the man handling the Deering line. That year the International only had one agent in our town. This year when they sent the goods to the elevator man it left two implement dealers not representing their goods, the same as after they checked out in 1906.
- 199 In 1912 I handled some of the Deere & Webber Co.'s goods. I represent the Acme Co. now exclusively.

*Re-direct Examination.*

In 1906 when they did not want me to handle the Acme lines there was no other agent there.

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- 88 RALPH R. GREER (a witness for defendants):

In 1911 and 1912 I was assistant to the manager of the I. H. Co. at Aberdeen, S. D. It knew J. E. McDougall, who was in the implement business at Britton, S. D. We did not cancel any contract we had with him in the spring of 1912. Mr. McDougall had no contract with the I. H. Co. to handle any of its lines in 1912. He had a contract with the I. H. Co. in 1911. We did not try to contract with him in 1912, nor make any effort to sell him any goods, to my knowledge. The decision was made in 1911 not to contract with McDougall for 1912, or attempt to sell him any goods for that year. Mr. Buholz, the general agent at Aberdeen, and myself, made that decision. Britton was in the Aberdeen general agency. Mr. Buholz has since died. We decided not to contract with McDougall for 1912 or sell him any goods for credit reasons.

89

He owed us a note for \$1,370 that fell due in the fall of 1911. He claimed that he could not pay the note. Our collection department, in December, extended it for one year and took collateral. Mr. McDougall wanted us to return the collateral to him for collection, which we refused to do. We asked for a property statement in 1912,

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from him. He refused to give it and he refused to give one in 1911 when we contracted with him. By property statement, I mean a statement of his resources and liabilities.

A representative of the Moline Plow Co. told us that they were suing him at that time for indebtedness that he would not pay, which was represented by a note.

*Cross-Examination.*

I am at present general agent at Aberdeen. Have been general agent since March 7th of this year. W. C. Noel was blockman in 1911, covering the territory in the district of Britton where McDougall lived. W. F. Kearns succeeded Noel as blockman.

90 It is often the case that the making of contracts for another year is not done at settlement time, but is left over until the following spring.

My testimony on direct examination related to all of the business we had with McDougall, not entirely to the harvesting lines.

Have read nothing but the newspaper clipping of McDougall's testimony in this case. It probably was not complete. Have not read typewritten report of his full testimony, to my knowledge. I have not read McDougall's testimony in book form, in printed form or in typewritten form, nor has the same been submitted to me by my superiors in the Harvester Company, or one of the attorneys.

In 1911 the International did some business with McDougall. We shipped him a few repairs.

My duties in 1911 as assistant general agent were to help the general agent. I was a traveling man a very little of the time. I stayed at the office. The blockman went and made settlement with McDougall in relation to our not contracting with him. There was no correspondence with him and there was no correspondence with our home office, at Chicago, respecting the matter, to my knowledge.  
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473 W. L. CARR (witness for petitioner):

I reside in Kansas City, and am now with the John  
474 Deere Plow Co.; from 1900 to 1903 was with the Plano

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Company at Kansas City; subsequently became an employe of the International.

475 In 1902 the McCormick, Deering, Champion, Milwaukee, Plano, Osborne, Wood, Johnston and several more companies had agencies in Kansas City. I was in the Accounting Department of the Plano Division and kept track of prices. Prices and terms to different implement  
476 dealers varied, as did the prices to farmers. In 1903 the prices as a rule were uniform. The prices of the Plano Division were the same as those of the other divisions.

In November, 1903, I went to Salina, Kas. I remained in the Harvester Co.'s employ at Salina about four years. I handled the stock the first year; the second year I took up orders and credits. After that I devoted most of my  
477 time to office work. The Salina General Agency covered 24 counties. The county seats would average about three dealers, the small towns one or two. There were something over 400 dealers, I think, in the counties.

In 1904 and 1905 the International used in its commission agency contract with the dealers the exclusive agency clause. I think, in 1905, we had all but seven of those dealers handling goods under the commission contracts. Some of the seven dealers handled the Acme and some the Johnston. Only the general agent, the blockman, the bookkeeper and myself knew that there were only seven dealers who had not signed the contracts. I  
478 do not like to say whether anything was done to secure contracts from those dealers, because I do not want to show up something but a different form of contract was adopted and submitted by the blockmen to those seven agents. The slip of paper you show me was a part of the contract submitted to those seven dealers. It was prepared by F. C. Hadden, the General Agent and myself.

Petitioner's Exhibit 181: This is a rider dated Feb. 7,  
479 1906, to be attached to the Deering contract between I. H. Co. of A. and Ross and Waldo. It provides that in consideration of second party doing their own canvassing and expert work during 1906 and confining their sales of Acme machines to five headers and of their agreeing to give first party an exclusive contract for 1907 on Deering machines and Champion header, the first party will at settlement time make a special allowance of 5 per cent. for \$1,250 net worth of machines, rakes, stackers, peg

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tooth, and disc harrows sold and settled for per contract and if \$2,500 net worth of machines, etc., are sold as mentioned above, a discount of  $7\frac{1}{2}$  per cent will be allowed. On rakes sold after July 1st the cash discount will be allowed for September 1st payment.

These contracts were signed by the dealer and the blockman and then sent to Chicago for approval. One copy was returned to Salina, one kept in Chicago and one sent to the dealer. These were sent out to those seven  
480 dealers. Two of these dealers signed such contract. Each week we made up a comparative record at Salina of the sales on the territory of the different lines. For companies other than ours we relied on our blockmen for the information. From such reports the International did about 95 per cent. of the business on wheat binders, headers and corn binders.

481 We tabulated those records and kept them. The last year I was there the International did 50 per cent. or 60 per cent. of the mower business.

In 1905 we took over the Osborne line. Then we had the Weber wagons and gasoline engines. The different harvesting lines were distributed to different dealers  
482 wherever possible. The same policy was adopted as to wagons, hay tools and tillage implements. Tillage implements and hay tools were sold under different trade names. The hay tools were practically all made at one factory and shipped out unlabeled. We used to label the rake going to a McCormick dealer "McCormick" and the rake going to a Deering dealer "Deering," and the rake going to a Champion dealer "Champion." The repair line was an important part of our business to the dealers handling the McCormick, Deering and Plano lines. I was present at meetings of blockmen at the General  
483 Agency. I would rather not state what plan was adopted with the agents for the repair lines in connection with the other lines—wagons and tillage implements and hay tools. It was to use repair lines as an inducement or club to place the sales goods—spreaders, wagons, tillage tools and hay rakes. A man handling McCormick machines for 25 or 30 years would build up quite a repair business; he would be reluctant about giving it up at the year's end and would sometimes take a little of the sales lines to hold the repair line. As a rule, the block-

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men handled all transactions with implement dealers in person.

I left the International voluntarily in 1907. I was subpoenaed in this case.

*Cross-Examination.*

I entered the Plano Company's service in 1900 but my continued service started in 1901. I acted as stenographer in 1900, after I did the block work. I grew up under the implement business. I am 32 years old. I was the  
 485 stenographer of J. W. Thew, the general agent of the Plano Company at Kansas City. I did stenographic work about four months. My next work was on the Plano books at the Kansas City general agency. I have always been  
 486 friendly to the I. H. Co. since I left their service. That was why I was unwilling to answer two questions that the Government's attorney asked me. I never mentioned my answers to either Darling or Grosvenor. I talked with them about five minutes last evening. Darling saw me in Kansas City once and asked me if my name was W. L. Carr, and said, "I will have a subpoena issued for you." A few days after that I was served  
 487 with one. That was all the conversations I had with any Government representative. The reason I would have preferred not answering, "What use was made of the repair lines in connection with the new line?" was that I never like to give any disreputable testimony. I am reluctant to expose anything. My answer was what I exposed—that they used the popularity of the Deering and McCormick machines and their repairs to aid them in selling and introducing new lines. I thought if I answered that without protesting it would be unfriendly to the International.

The Deere does not use the popularity of its plow to  
 488 introduce other lines in their agencies. They have never used the exclusive agency clause. In 1903 the exclusive clause was used everywhere in the harvesting implement business, with the exception of the Acme and Wood; I think they sold outright. Wherever any harvester company sold on commission in 1901, 1902, 1903 and 1904 they used the exclusive agency clause.

I had no difficulty with the Company when I left, I did  
 489 have difficulty with a superior in the Company's employ.

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I took no documents nor copies of papers that had been in my custody. My testimony is not based on any memoranda or copies of records which I made when I was in the Company's employ, but solely on my recollection of such memoranda. When I left I did not take copies of the exclusive contract with me. I testified in *Kansas v. I. H. Co. of A.* for several hours. I wrote up the exclusive agency riders from memory and a copy that the Salina Implement & Seed Company had. I think John Dawson (Asst. Atty. Gen. of Kansas) got an exact copy.

"Q. In the hearing in the Kansas case were you not asked these questions and did you not make these answers:

'Q. I will ask you to look at this instrument marked by the stenographer as Exhibit G and state if you have ever seen that before or if you are able to identify it? A. Yes, sir. Q. State where it was at and what it is, if you know.

A. It is an exclusive clause agreement that was attached to Ross & Waldo's commission contract. Q. Do you mean this original, or what is this? A. That is a copy of it. Q. Who made this copy? A. I did.' Did you so state?

A. Yes, sir."

I made a copy in May or June of 1908 or 1907. Barring typographical errors, that was the same as the printed slip Mr. Grosvenor showed me. There was no general form prepared like this printed slip that was attached to the Ross & Waldo contract. It was in general use but varied as to the per cent. of allowances. Contracts of this form were prepared for the following dealers: John Schyler, of Hays, Kansas; Ross & Waldo; Newton Wetzel, Hill City, Kansas; P. G. Scrivens, Lucas; the Salina Implement & Seed Company, Salina; Hinnekamp Brothers, Salina; Fred Frier, Leota; the Moses Mercantile Company, Horsington, Kansas, and Harry Hill, Russell. I have had this list in my head all these years. This is the first time, except, possibly, in the Kansas case, that I gave it to any one. The dealers I mentioned were those who handled Acme and Johnston machines. Not one then handled the International goods, though they may have had some carried-over International machines. They were devoting their energies to selling competitive goods. Our records showed that in the summer of 1906 they were the only men then handling competitive goods.

I testified in the Kansas case that there were quite a

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number of dealers handling both International and competitive goods. I remembered those names without any assistance or suggestion and have remembered them since 1906.

495 In the Kansas case I don't believe I said anything about the number of dealers in our territory. I believe I said in that case there were dealers handling both International and competitive lines. I did not say anything about the number there were altogether. I testified concerning all my experience at Salina at that hearing. I did not give the number of agents or the percentage of agents who sold competitive goods. I named two of the  
496 agents the contracts were written with and I named the other competitors. The names of those competitors were: John Schyler, Ross & Waldo, Harry Hill, P. G. Scrivens, Newton Wetzel, Fred Frier, and the Moses Mercantile Company. Those were the only persons handling harvester goods other than those of the International in 1906, and there were in that territory between 400 and 425 agents. I made a list of those agents from information  
497 we compiled from contracts. There were 400 or 425 agents with whom we had contracts. The contract provision prepared as a rider to the 1906 contracts was attached to nearly all of them. The printed memorandum which I looked at this morning was attached to only two contracts; one was Ross and Waldo's.

The Moses Mercantile Company in 1906 was doing business at Horsington and Great Bend, and they had a little branch at Burton, Kansas, and Timken. They were selling the Acme at all these points and a few Wood mowers.  
498 The stenciling of the Deering and McCormick names was made on hay tools manufactured at Springfield, including sweep rakes and stackers. There was no such branding put on any tillage implements. The branding on the rakes was done in 1905 and 1906. The reason it was done was because a local dealer who handled the McCormick binder liked to have the McCormick name on the rake. When they first came there they were all stenciled "Cham-  
499 pion." I thought that was a perfectly innocent, harmless thing and I still think it was.

I do not remember the other question Mr. Grosvenor asked that I was so loath to answer because of my friendship toward the International. I did not understand his

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question and that was the reason I was unwilling to answer it.

500 "Q. Why didn't you tell him you did not understand it?

A. (After a pause) I do not know—

Q. What?

A. I can't explain, only just—"

The question that I remember was about meetings held by the general agent and blockman in the general agent's office at Salina. I did answer that after I answered another question.

*Re-direct Examination.*

501 The Examiner reads the questions and answers asked the witness with reference to meetings of blockmen and general agents, *supra*. (Rec., 477, 478.)

502 The blockmen were called in after the Implement Dealers' Convention in Kansas City, in January. They were asked for a report on the competitive business and were asked how many competitive dealers they had lined up to handle the full International line; they replied, in substance, none. Then this form of agreement was drawn up to get after those seven dealers and to get an exclusive line covering 1906 and 1907, with the exception of any competitive machines they might have on hand. To help them out they were to be allowed a discount on a certain amount of goods, 5 per cent. on a net amount of goods sold above \$1,250; 7½ per cent. on a net amount sold above \$2,500. In some cases the 5 per cent. was raised to 7½ per cent., and the 7½ per cent. to 10 per cent., according to the dealers' obstinacy. These terms were more favorable than those extended to other dealers.

503 At that meeting F. C. Hadden, C. H. Gamble, Bryant, John Eyer, Charlie Brown, J. D. Smith and myself were present—there may have been one or two others from the office. All the blockmen were there. C. H. Gamble is still in the International employ.

*Re-cross Examination.*

504 To call a blockmen meeting was not unusual. A discussion at such meeting of how to get business was not unusual, but the instructions in this particular case were unusual. In substance, it was a threat to the dealers to take their machines away from them.



II

“Q. Well, did they have any International Harvester machines at that time—these seven?

A. No.

Q. There could not be any threat, then, to take those machines away, could there?

A. I will tell you how it was: they were instructed to go out and establish salesmen at these points to get all of the business at any cost.”

That was what I was so loath to tell. There is nothing else that I know discreditable to my former employer  
505 that I have not now told.

*Re-direct Examination.*

Deere & Company never sold their goods to more than one agent in a town.

*Re-cross Examination.*

Deere & Company have only one line of each machine. They endeavor to have one man in a town handle their entire line; but not to prevent his handling competitive  
506 goods. They are as willing to give their goods to an agent handling competitive goods as to one who will take their entire line and only that.

In the Kansas case I testified that I had made copies of the Ross & Waldo and one other contract after they had been handed to me by Mr. Haddan. The one I furnished John Dawson was from memory. In the Kansas case I testified that when I left the employ of the Company I took a copy of the contract. I had copies of the Ross & Waldo and John Schyler and all of those seven dealers’  
507 contracts. I had copies but the one I made for Dawson that I testified to this morning, was made from memory. In fact, we had a copy of it and I wrote it out, in substance, as it was and he compared it with the one he had. This morning I said I did not take the Company’s copy.

*Dealers in Salina Territory as Shown by Defts’ Ex. 168.*

(A computation from the Salina General Agency Recapitulation (Vol. XVI, p. 2), Defendants’ Exhibit 168, shows that 100 towns were covered having 199 local implement dealers; that 71 of such dealers handled competing binders; 96 handled competing mowers; 56 handled competing binders or mowers who also handled

## II

I. H. C. harvester goods; 17 handled no binders whatever. These figures relate to 1913.)

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## 162 G. G. PERROTT:

I reside at Early, Iowa, and was with I. H. Co. of A. from 1902 until Nov. 25, 1912. I had been in the employ of the McCormick Co. While with the I. H. Co. of A. I was general salesman, canvasser, expert and collector—everything that goes with that line of business—until 1906, and from 1906 until May 25, 1912, was blockman and then

163 put on as general salesman, until November. My duties as blockman were to make contracts with the implement dealers located in my block. I reported directly to Mr. C. A. Claypool, general agent at Fort Dodge; he gave me instructions as to the making of contracts for the different lines of goods manufactured by the International.

IV

397 Petitioner's Exhibits 284<sup>1</sup>, 290, 291<sup>292</sup> and 293. Five letters dated November 25, 1911, February 3, 1912, February 13, 1912, March 14, 1912, and March 25, 1912, written by C. A. Claypool, General Agent of International Harvester Company of America, at Ft. Dodge, Iowa, to G. G. Perrott, a blockman, in charge of certain territory in said agency. All of these letters refer to the fact that Perrott has sent to the General Agent for approval commission agency contracts with various dealers for the year 1912 for the handling of old line commission goods, and say that such contracts will not be approved until orders are given by the dealers for the other lines sold by the Company (manure spreaders, wagons, cream separators, engines, tillage implements, etc.), in such quantities as they can reasonably be expected to handle. Perrott is urged to inform the dealers that if they cannot handle all of the Company's lines, the Company will be obliged to make other arrangement for handling the old commission lines.

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168 The Witness: These letters are typical of the instructions I received from Claypool while I was his blockman. His oral instructions in connection with the making of new contracts were of the same tenor as these letters.

169 Claypool was general agent throughout the period that

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I was blockman, and is the general agent today. I was there before he was. I think it is about six years.

*Cross-Examination.*

I think I was on Block 6 of the Fort Dodge Agency. It included from Holstein and Battle Creek east to Jefferson. That was on the single-block system. The blocks were changed and then my territory ended at Ida Grove and Sac City.

177 ALEXANDER LEGGE (witness for defendants):

•I have seen the Claypool letters that were introduced. The fact that those letters were issued by the general agent at Fort Dodge to the blockman does not in the slightest change my statement that the things stated in those letters were not the company's policy. The letters were a surprise to us; we had no knowledge of them, and were surprised that any such correspondence existed. When the existence of this letter was known, Claypool was

178 called in to explain what had happened to him. He was reprimanded, and might have been dealt with more severely were it not for the objection offered by yourself—Judge McHugh.

*Cross-Examination.*

I have not searched for them, but I do not believe any exist countermanding the circular letters you showed me. I was present when Petitioner's Exhibit 284, the letter of November 25, 1911, was introduced in Omaha. I heard Mr. Daniels' cross-examination in regard to this letter. I called in Mr. Claypool during the intermission between the Wichita hearing and the Kansas City hearing.

*Dealers in Ft. Dodge Territory as Shown in Defts' Exh. 138.*

A computation from the Fort Dodge, Ia., Recapitulation (Vol. XVI, p. 322), Defendants' Exhibit 138, shows that 162 towns were covered having 270 dealers; that 79 of these dealers handled competing binders; 184 handled competing mowers; 137 handled competing binders or mowers who handled also the I. H. C. harvester goods. The figures relate to 1913.

## Defendants' Testimony as to the International's Business Methods and Practices.

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ALEXANDER LEGGE (witness for dfts.):

- 22 I have been in the implement business since 1891; first  
 23 as a traveling collector and salesman and as collection  
 manager for the McCormick Company at a general agency  
 point; afterwards as general agent for it; later as man-  
 ager of their collection department at Chicago; later as-  
 sistant manager of sales in connection with the collection  
 work; from January 1, 1904, until November, 1906, was  
 assistant manager of domestic sales for the I. H. Co. of  
 A.; from November, 1906, until recently, assistant general  
 manager, and now am general manager of the company.

#### *Selling Methods and Development Toward Longer Line.*

- When I commenced in business there were two general  
 plans of selling goods—the commission agency contract  
 24 form used by the harvester people and the thresher com-  
 panies; and the short-time or direct sales used by manu-  
 facturers of plows and smaller tools generally. The de-  
 velopment of the trade has been steadily toward a longer  
 line, by each of the houses in business. There are a few  
 exceptions to that, but broadly speaking, it has been a  
 question of adding additional lines of goods in each of the  
 principal organizations. So far as I know, the commis-  
 sion contract was the contract under which harvesting  
 machinery was sold by all the companies.

#### *Financing the Western Farmer.*

I have seen most of the development of the western  
 part of the United States which was settled up mostly by  
 homesteaders and men of whom the larger part had very  
 light means—men who went out into the western prairies  
 and took up farms and had no money to finance a farm  
 or buy machinery. It was necessary for many years to  
 sell harvesting machinery to those farmers almost en-  
 tirely on a long term basis. The implement manufacturer  
 had to finance him to the extent of his machinery on all  
 the larger tools used. All of the harvesting machine com-  
 panies did not take that risk and follow the frontier as it

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became settled, and extend to the farmers the credits necessary. Some of the companies confined their operations almost exclusively to the eastern or central states. That was particularly true of the Osborne and the Milwaukee. They did not extend into the frontier territories to any great extent. I think all the other companies except the McCormick established what was known as a dead line beyond which they would not sell except for cash, because of the extra hazard and the long time risk involved.

- 25 The McCormick Company covered the territory everywhere during all of the time I have been in the business. None of these dead lines were east of the Mississippi River during my time. Some had been. I was advised by men then in the business that they had gradually extended the line farther west as the country became settled. In the particular territory in which I started the dead line was drawn approximately 100 miles west of Omaha, the different companies using a dead line territory running north and south. The McCormick Company never had a dead line.

*Reasons for Delay in Organizing Sales Force in 1903.*

- 34 When the I. H. Co. was organized I continued in the same position with the McCormick division, that I formerly had with the McCormick Harvesting Machine Co.—as manager of collection department and assistant manager of sales.

We were notified that no attempt would be made to reorganize business for the present; to push trade as best we could under same general policy, we had been following. This continued until perhaps June or July, 1903, when a permanent form of sales reorganization, which went into effect January 1st following, was discussed. There was no discussion of such organization until during or after the harvest of 1903.

The principal reason for having the separate divisions and the delay in effecting the organization of the sales force, was taking of inventories. Under terms of sale property had to be appraised and inventoried all over the world. It was a large task because we had repair stocks, machines, credits, warehouses and property of various kinds in every country where there was any trade. That occupied a large part of our time and energies through

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1903. They were not finally finished until sometime after the new organization had gone into effect.

35 The McCormicks were interested not only in the appraisal of their property but that of other properties. We were asked to exercise care not only as to accuracy of our appraisals and inventories, but to spend a lot of time in investigating and checking those of other properties acquired, the Deering, Champion, and so on. So far as I know, that was the policy pursued by the others; in fact, I know it was by the Deerings at least. They went into our appraisals and inventories quite exhaustively to satisfy themselves as to their accuracy, and it is my recollection that the heads of the business, Mr. McCormick, the President, and Mr. Deering, Chairman of the Board, were almost entirely occupied with that work for the greater part of 1903.

The sales organization was running along by its own force for the first year; we felt that we got very scant consideration, sometimes scant courtesy, from owners on any proposition we had with reference to current business. Many things were happening on the field after the organization of the I. H. Co., and while they were running through these divisional years. Each company had its separate dealers throughout the country when the I. H. Co. was organized.

36 While the I. H. Co. was running along through these different divisions, each with its own traveling salesmen and blockmen, I recall a marked tendency on their part to follow lines of least resistance instead of maintaining and improving their representation in the country. There was a decided tendency to put goods in with dealers handling lines of the other divisions, as the easiest way to meet a situation where they had an unsatisfactory dealer, or one going out of business. If a Deering traveling man found his dealer was going out of business, instead of hunting around and getting a good live dealer to represent his line, it was easier to turn to the McCormick dealer.

In some cases, dealers desired to acquire all lines. I do not think that was general. I think more dealers than now preferred to handle one line of harvesting machinery. There were numerous exceptions where dealer felt that as one company owned several lines they should give them all to him. This would mean dropping out from

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one to four other dealers in the same town. Local dealers would approach the Deering Division for the agency of all other I. H. Co. lines, and the McCormick man perhaps in the same town would do the same.

Efforts were made by the sales organization of the divisions to counteract these tendencies. That was one of the most frequent subjects of discussion for a time at conferences of sales managers. While I was not a member of Sales Committee, I attended their meetings rather frequently and sometimes represented the McCormick division in absence of Mr. Mayer.

Mr. Grosvenor: I object to the qualifications of this witness to testify about Sales Committee, except at those where he was present. The names of the Sales Committee are in evidence and some of the members are alive and officers of the I. H. Co.

*Reasons for Having Different Dealers for Separate Lines.*

The I. H. Co. today pursues the policy of having separate representations, so far as it can, for the separate harvesting lines that it manufactures.

- 37 The reasons are that the vast majority of dealers themselves prefer to handle but one line of harvesting machinery. Otherwise it involves added warehouse facilities, which few of them have, and the keeping of separate and similar repair stocks; it occasions a great many mistakes in handling them by the dealers and the dealers' employes. We find that where dealers handle two or more lines, they seldom have facilities by which they can give satisfactory service to customers, and in those cases we have frequent complaints from farmers that local dealers do not protect them in keeping up repair stocks and generally looking after their business as well as where the dealer was handling one line. The combining of several lines with a less number of local dealers gives us less representation, less business.

Where one dealer has all the lines it reduces our representation and the activity in the sales of machines, and reduces the activity to care for the needs of the farmer in connection with the machines. Occasionally a firm is large and progressive enough and has sufficient warehouse and other facilities to give satisfactory representation on more than one line. For those reasons the I. H. Co. has

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preferred, and still prefers, to have the exclusive service of an agent if it can get it. That is the general rule.

*Dealers Handling I. H. Co. Harvesting Machines.*

38 Defendants' Exhibit 183 shows the average number of dealers per town who handle I. H. Co. harvesting lines under commission contracts. A comparatively small number of dealers in the U. S. handle machinery of the I. H. Co. under sales contracts. The second column, beginning with 1908 gives the total contracts, commission and sale, for the I. H. Co.'s harvesting machinery in the U. S.

39 U. S. Contracts—Commission and Sales—Old Lines  
(Binders, Mowers and Reapers.)

| Year        | Number<br>Commission<br>Contracts | Total<br>Contracts<br>Commission<br>and Sale | Number<br>of towns<br>represented by<br>total contracts | Average No.<br>Contracts<br>to town |
|-------------|-----------------------------------|----------------------------------------------|---------------------------------------------------------|-------------------------------------|
| 1904        | 42,149                            | *                                            | *                                                       |                                     |
| 1905        | 36,950                            | *                                            | *                                                       |                                     |
| 1906        | 34,412                            | *                                            | *                                                       |                                     |
| 1907        | 31,244                            | *                                            | *                                                       |                                     |
| 1908        | 28,636                            | 31,758                                       | *                                                       |                                     |
| 1909        | 29,086                            | 32,511                                       | 20,487                                                  | 1.58                                |
| 1910        | 27,025                            | 30,801                                       | 20,400                                                  | 1.50                                |
| 1911        | 26,665                            | 30,941                                       | 20,724                                                  | 1.49                                |
| 1912        | 26,940                            | 30,731                                       | 21,127                                                  | 1.45                                |
| 1913 (5/31) | 26,009                            | 29,500                                       | 20,630                                                  | 1.43                                |

\*No record for this year.

*Exclusive Clause Always in Harvester Contracts.*

In 1902, there was the exclusive clause in the contracts of all harvesting companies. It had been there during all my experience in the business. It was a practical dead-letter in 1902, 1903 and 1904 except to prevent the bunching of our own several lines in one man's hands. That we could prevent to an extent during 1903 and 1904. During those years many dealers were actually handling several lines of harvesting machinery, and they had done that for quite a number of years before.

*Not I. H. Co.'s Policy to Attempt to Coerce Dealers.*

40 It never has been and it is not the policy of the I. H. Co. to coerce the implement dealers to handle the harvesting lines exclusively or to force the new lines through the harvesting lines. I have been for years familiar with implement business in the U. S. and widely acquainted with the implement dealers in that territory. In my judgment the I. H. Co. could not and never could have carried out such a policy. There were only about 60 per cent.



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as many canvassers in the I. H. Co. business in 1903 as in the vendor companies separately in 1902.

The I. H. Co. did not attempt to use the exclusive clause that was in the contract in 1903 and 1904 as part of a plan to monopolize the local implement dealers in the sale of I. H. Co.'s lines.

- Outside of the home office in Chicago the number of men engaged in the sale of I. H. Co's goods in the U. S. has run as high as 5,000. The average, I think, would  
41 be about 4,500. That includes general agents and their staff at the agencies, and all the traveling men.

We have had instances where some of these 4,500 employes violated the company's policy. We have very much less of it than we had during the first year or two of the company's operations. We still have exceptional instances, and probably always will have.

The company does not countenance these violations. We have tried earnestly to eliminate all such practices from the business, and generally speaking, have been quite successful. The instances that have occurred have been very few in number, and exceptional.

*Advantages of the Long Line.*

- 42 The I. H. Co. has since its organization entered upon the construction of new lines. The advantages of the long line are the ability to secure and maintain a better selling organization and economies in distribution of the stock, often securing full carload orders to an agent who would not want a full carload of any individual tool. The reason for going into the long line was to secure those advantages and to do away with the very great handicap which we always had in the binder business, of being compelled to employ a very large force of men for a short period.

The harvesting machine business required a very large force of men during the delivery and harvesting period. As soon as harvest was over they had to be dispensed with, and the following spring we would have to start in with raw recruits. The better class of men would not continue to come back to us for three or four months' employment, but would seek employment elsewhere. That made it impossible to maintain an efficient, well trained organization.

The long line enabled the company to have what they

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call an all-year-round organization. Today they are employed practically continuously throughout the season with some slight fluctuation at different periods.

*Coercive Practices Injure the Company Attempting Them.*

43 To use the harvesting line to force the sale of the new line would not be possible with the great majority of dealers, particularly the better class. Though occasionally salesmen might succeed in delivering goods under such practices, it is an injury to the house they represent. There is only one correct method to follow, and that is to sell each article on its merits. To illustrate: if a salesman succeeded in getting a customer to take a shipment of goods because of personal friendship, or because of the influence of other lines, the dealer takes it reluctantly; he has not learned nor has he any confidence in the goods; he does not enter into the sale of them with any enthusiasm, and the result is unsatisfactory to him and to the representative of the company. The next time the representative comes around to sell goods he finds that he is probably carrying over a large part of what he will need for the next year, because he has not been successful in disposing of them, and the fundamental trouble is that he did not believe in the goods, nor take sufficient interest in them; in other words, they were not properly sold, to commence with.

*Number of I. H. Co. Dealers in Certain Lines.*

I had a statement prepared under my supervision of the number of dealers in the United States representing the International Harvester Company in the sale of sundry implements, which is the paper handed me, marked Defendants' Exhibit 184.

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## 44 Number Dealers Representing Us in United States on the Following Machines:

|                                                                                          | 1908   | 1909   | 1910   | 1911   | 1912   | 1913<br>5/31 | % New Line<br>Dealers to<br>Old Line<br>Dealers<br>1913 |
|------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------------|---------------------------------------------------------|
| No. of Commission &<br>Sale Contracts Old<br>Lines (Binders,<br>mowers and reap-<br>ers) | 31,758 | 32,511 | 30,801 | 30,941 | 30,731 | 29,500       |                                                         |
| Side Delivery Rakes                                                                      | 2,371  | 2,888  | 2,937  | 2,759  | 2,542  | 2,238        | 7.6                                                     |
| Hay Loaders                                                                              | 2,159  | 2,542  | 2,804  | 3,047  | 2,487  | 2,197        | 7.5                                                     |
| Tedders                                                                                  | *      | *      | *      | 3,304  | 2,059  | 1,880        | 6.4                                                     |
| Sweep Rakes                                                                              | *      | *      | *      | 2,495  | 2,191  | 1,031        | 5.5                                                     |
| Stackers                                                                                 | *      | *      | *      | 1,286  | 1,223  | 610          | 2.1                                                     |
| Hay Presses                                                                              | *      | *      | *      | 1,479  | 1,680  | 942          | 3.2                                                     |
| Shellers                                                                                 | 1,420  | 1,874  | 1,776  | 2,125  | 3,018  | 2,691        | 9.1                                                     |
| Disk Harrows                                                                             | *      | *      | *      | 10,455 | 11,204 | 10,869       | 36.8                                                    |
| Spreaders                                                                                | 6,417  | 10,674 | 8,507  | 7,524  | 6,483  | 5,214        | 17.7                                                    |
| Wagons                                                                                   | 4,191  | 5,870  | 5,131  | 6,598  | 6,388  | 4,503        | 15.3                                                    |
| Cream Separators                                                                         | 3,495  | 4,439  | 4,637  | 4,653  | 5,346  | 4,013        | 13.6                                                    |
| Feed Grinders                                                                            | *      | *      | *      | 1,828  | 2,143  | 1,955        | 6.6                                                     |
| Autos                                                                                    | *      | *      | *      | 894    | 859    | 497          | 1.7                                                     |
| Engines & Tractors                                                                       | 4,153  | 6,155  | 5,492  | 6,382  | 6,536  | 5,768        | 19.5                                                    |

\*No record for this year.

### *International Sales in U. S. by Districts.*

I have prepared a statement of the sales in the United States of the implements of the International Harvester Company, by districts, separating the sales as between  
45 the old and the new lines, in the year 1912. The paper handed me, marked Defendants' Exhibit 185, is the statement to which I refer.

The districts named in Defendants' Exhibit 185 are the districts into which the United States is divided for the purpose of transacting the business of the International. Indiana, Illinois, Southern Wisconsin, Western Michigan are included in the Central District. Ohio and territory east of Ohio, including Eastern Michigan, are included in the Eastern District. The north half of Iowa, Minnesota, Northwest Wisconsin, and territory west to the Coast are included in the Northwest District. The territory south of the Ohio River, including the States of Arkansas and Louisiana west of the Mississippi, is included in the Southern District. The south half of Iowa, the south half of Nebraska, Missouri, and states west thereof to the Coast are included in the Southwest District.

The Southern District comprises almost all of the cot-

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ton belt; it has a very limited trade on binders. There is very small trade in the Eastern District. The largest sale in the Northwest District is on binders, and the second largest on binders is in the Southwest District.

46 Statement of Sales in the United States by Districts.  
Old and New Lines Season 1912.

| District  | Total Sales     | Old Line<br>Sales | Percent. of<br>Old Line<br>Sales to | New Line<br>Sales | Percent. of<br>New Line<br>Sales to |
|-----------|-----------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
|           |                 |                   | Total<br>Sales                      |                   | Total<br>Sales                      |
| Central   | \$10,433,788.26 | \$6,060,244.13    | 58.1%                               | \$4,373,544.13    | 41.9%                               |
| Eastern   | 10,005,761.59   | 5,089,070.28      | 50.9                                | 4,916,691.31      | 49.1                                |
| Northwest | 18,132,867.64   | 12,859,053.44     | 70.9                                | 5,273,814.20      | 29.1                                |
| Southern  | 6,656,842.31    | 3,201,083.22      | 48.0                                | 3,455,759.09      | 52.0                                |
| Southwest | 16,694,925.83   | 11,853,004.29     | 71.0                                | 4,841,921.54      | 29.0                                |
|           | \$61,924,185.63 | \$39,062,455.36   | 63.1%                               | \$22,861,730.27   | 36.9                                |

NOTE:—The Sales in this statement include only goods of I. H. Co. manufacture.

*Sales in U. S. in 1912 at Certain Agencies.*

125 W. N. REAY (Defendant's Exhibit 213):

Grain Binders, Engines and Wagons at Agencies Listed.

|                      | Grain Binders | Engines | Wagons |
|----------------------|---------------|---------|--------|
| Helena, Mont.        | 2407          | 132     | 1297   |
| Fargo, No. Dak.      | 2799          | 218     | 429    |
| Grand Forks, No. Dak | 2727          | 224     | 881    |
| Minot, No. Dak       | 3281          | 100     | 961    |
| Fort Dodge, Ia.      | 2270          | 497     | 837    |
| Minneapolis, Minn.   | 2289          | 254     | 1374   |
| Des Moines, Ia.      | 2425          | 573     | 647    |
| Council Bluffs, Ia.  | 2513          | 437     | 636    |
| Kansas City, Mo.     | 2285          | 234     | 765    |
| Omaha, Neb.          | 2603          | 411     | 1405   |
| Wichita, Kans.       | 1762          | 254     | 842    |
| St. Louis, Mo.       | 1939          | 180     | 810    |
| Albany, N. Y.        | 159           | 467     | 844    |
| Boston, Mass.        | 116           | 516     | 352    |
| Birmingham, Ala      | 150           | 272     | 3134   |
| Columbia, So. C.     | 289           | 291     | 1633   |
| Memphis, Tenn.       | 440           | 262     | 1653   |
| Jacksonville, Fla.   | 96            | 309     | 2136   |
| San Francisco, Cal.  | 301           | 1159    | 1345   |

*Sales of New Lines Having Certain Trade Name.*

ALEXANDER LEGGE:

- 46 I have had a table prepared showing the percentage which the total sales of the new line goods sold under the

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Deering and the McCormick trade names bear to the total sale of new line goods. The paper handed me, marked Defendants' Exhibit 186, is the statement to which I refer, and it correctly states the fact.

47 New Line Goods Sold Under Deering and McCormick Trade Names and the Percentage of Such Sales to the Total Sales of New Line Goods.

|                                                                                 | United States. |               |               |
|---------------------------------------------------------------------------------|----------------|---------------|---------------|
|                                                                                 | 1910           | 1911          | 1912          |
| New Line Goods sold under Deering & McCormick Trade Names                       | \$ 619,480.11  | \$ 577,930.51 | \$ 618,330.92 |
| Total Sales of New Line Goods                                                   | 20,217,651.22  | 20,561,291.81 | 23,332,332.92 |
| Percentage of New Line machine sales sold under Deering & McCormick Trade Names | 3.06           | 2.81          | 2.65          |

*Development of New Lines.*

There has been no definite policy in taking on more than one line of new sales goods. We have developed or acquired anywhere from one to four or five lines according to which particular line of goods. In wagons we acquired two lines, in the purchase of the Weber plant, known as the Weber and the Columbus, which were then manufactured at the plant under the former ownership. Since we acquired the Bettendorf steel wagon, and developed another steel wagon, trying to improve on the Bettendorf. We have four kinds of wagons—really, two lines; one line of wood wagons and one of steel wagons. The company entered upon the manufacture and sale of steel wagons because of the growing scarcity of suitable material for building the wood wagon.

We started out with one line of spreaders, known as reverse apron type; in certain sections of the territory the demand was for what is known as the endless apron type, which was developed later. Those two today are practically one line of spreaders—the same construction.

48 We later acquired the Kemp, which was the oldest of the spreader lines. Some questions had come up concerning patents, and this property of Kemp's was offered for sale at what looked like an attractive price, and we bought it. The Kemp was the original patent, and Kemp was the owner of a large number of patents of later date. When we acquired the Kemp it was built only in reverse aprons.

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We have added the endless apron to that. Later both styles of spreaders were changed twice, first from wood to steel construction, and later from steel construction to what is called the Low-Down type.

The I. H. Co. has put out implements and done work in educating the farmers in their use and the necessity for them, and in that worked out the popularization of various implements. That is particularly true of engines and spreaders. The gasoline engine was not in common use on the farms when we took hold of it. It appeared complicated to the average farmer and he was slow in buying it. With our organization, covering the country closely as we do, so that he felt he could get help quickly if needed, we met with success right from the start in gasoline engines.

49 The manure spreader has been a matter of slower growth. We have spent a very large amount of money in advertising and demonstrating and in every way exploiting the manure spreader, believing it to be one of the most useful and most necessary tools for the farmer. The western farmer didn't realize the necessity of fertilizing his soil.

We were among the first in tractor engines for the farms, although I think not the first. One or two others had sold a few engines of the internal combustion type before. We have two lines of those.

50 It has been the custom in the implement line, ever since I have been connected with it for dealers to give notes for goods they bought after settlement time—in some cases for goods that were carried over and not sold the year that they were bought.

*I. H. C. Never Attempted to Drive Out Competitors.*

The I. H. Co. has never attempted to drive any competitor out of business. I have had a large experience with dealers and getting new dealers to represent the implements I had to sell. The source of supply was any one whose business was such that he could advantageously handle farm implements—such as men engaged in that business exclusively, engaged in the hardware trade, the lumber business, the grain business, and other lines, where such merchant was doing business largely with farmers.

I certainly consider that the field is open in this country

## XIV.

in competition with the I. H. Co. in the harvesting lines and in all the new lines that the I. H. Co. makes and sells. I can't imagine any reason why it should be barred to anyone. The fact that others are engaging in the harvesting line in the last few years successfully is satisfactory demonstration to us it is open.

*Cross-Examination.*

65 I have been present at quite a number of the hearings in this suit. I was present part of the time during the cross-examination of Mr. Donnellan, at Kansas City.

The witness is directed to circulars and reports of the sales committee on pages 2, 102, 104, 106, 109, 118, 119, 264 and 265 of Vol II and pages 235 and 458 of Vol. III of the record.

66 Witness: I have had no search made for letters issued giving instructions revoking the instructions contained in those circulars. Am quite certain that no such letters were issued.

Defendants' Exhibit 183 does not purport to give the number of dealers doing business with us, simply the number of dealers having commission or sales contracts on the old lines. It in no way attempts to amend the figures given by Mr. Wood, in response to the Government's request which stated the total number of dealers with whom we do business.

That exhibit shows the percentage of contracts to the total number of towns in which our old line was offered. I would not say that a large number of those 20,630 towns have only one dealer; there are such towns, but that is rather a small number. That would be true in the eastern territory, I think. There would be a number of towns, where there would be only one dealer, where the country is closely railroaded. You often find towns a mile and a half or two miles from an adjoining town where there is only one merchant in those places handling farm machinery. I have not attempted to count up the towns which have two or three dealers and base our percentage on the number of towns having more than one dealer in which we have more than one agent. In estimating our percentage we have grouped in every town, whether that town only had one agent or not.

67 Defendants' Exhibit 184 has no reference to twine.

68 It is true that the number of agents handling our twine

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is much larger than those handling any one article on that list except binders, mowers and reapers. This list refers to the new lines and to the charge that the new lines trade was forced by our standing in the binder business. The twine was not a new line and therefore not included. We state at the top of the exhibit exactly what is included—binders, mowers and reapers. I do not think we have any considerable number of dealers handling twine who do not handle binders, because the twine trade is limited to the territory where binders are sold.

It is true that the demand for some of the articles named in Exhibit 184 is local compared to that for binders and mowers but articles like disc harrows, engines and wagons—particularly wagons—are sold in as large, if not a larger territory than any of our old lines.

*Binder Lines Not Used to Push New Lines.*

69 The point covered in Defendants' Exhibit 186 is the question of whether we have used our binder lines to push the new line. Obviously, if that had been the policy, we would have given the binder trade names to those new lines. This statement shows to what extent that practice was followed. It shows that in last year's business 2.65 per cent. of the sale goods sold in the United States were sold under the McCormick and Deering trade names. In making up that estimate of percentages we included all the new line goods included on Defendants' Exhibit 184.

70 The new lines sold under McCormick and Deering trade names are a few hay stackers, sweep rakes, and a few tillage implements sold only in the eastern territory. No side-delivery rakes or hay loaders are sold under these trade names, except a side-delivery rake sold under the name of Osborne. Tedders have been sold under the trade names. I would be glad to give you the details of the sales of each of them, but haven't them with me.

## V

571 L. L. LEASE:

I am a general agent of the I. H. Co. at Crawford, Nebraska. Parts of Nebraska, South Dakota, Montana, Wyoming and one county in Colorado are in my territory. When the company was organized I was a block-



V

man. Each general agency territory is blocked out into what they call blocks and the man who goes around within that limited territory and does the business with the local dealers is called the blockman. He is under the general agent who has charge of the business throughout his territory.

*No Attempts at Coercion.*

I never, either as a blockman or general agent, threatened to remove the International goods from a dealer unless he would quit handling competing goods.

I have a wide acquaintance with dealers in agricultural implements. An attempt by the I. H. Co. to coerce dealers into refusing to handle goods sold in competition with I. H. Co. goods would result in dealers refusing to deal with us.

The blockman within his block and I as general agent arrange about contracting with dealers. We place one line of our goods, like the McCormick line with one dealer, and another, like the Deering with another, and sometimes the Milwaukee with another.

Before I went to Crawford I was assistant general agent at Omaha for about a year and a half; that extended my acquaintance and experience throughout the territory covered by the Omaha agency.

*Cross-Examination.*

Before I was assistant general agent at Omaha I was at Columbus, Neb., two years as blockman and before that I was at Fremont, Neb., as blockman. I have been continuously either blockman, assistant general agent, or general agent since the International was formed.

I do not recall any circulars sent out by the International in 1902 and 1903. I was in the McCormick Division on the Columbus block. I do not recall meetings of the general agents in 1903 to fix retail prices, nor receiving any instructions from my general agent, W. H. Town, in regard to it. I do not recall receiving lists of retail prices to suggest to dealers as prices that they should charge. I recall the exclusive clause in the contract for 1903 and '04.

Whereupon the witness was handed and read Petitioner's Exhibit 84 (Rec., Vol. II, p. 30).

Witness: That letter does not refresh my recollection.

Counsel for the government read from said Exhibit 84 to the witness as follows:

"Clause 5 of the Commission Agency Contract provides that local agents shall sell machines at such prices as shall be fixed in writing by the company or its general agent. The general agents of the different divisions at some towns have met to decide upon the minimum prices for the different divisions to be named to the agents, in accordance with clause 5 of the contract."

Witness: I do not recall any talks with the retail dealers at that time about retail prices which they should observe nor with the general agent in regard to this circular. I do not recall clause 5 of the Commission Agency Contract which the circular states provides that the local agents shall sell at prices fixed in writing by the company.

Whereupon counsel for the Government read from Exhibit 84 as follows: "We suggest such a meeting of the general agents at your town to agree upon minimum prices for the different divisions, but do not wish the prices named to local agents in a way that would seem to indicate to the agent that he would be arbitrarily required to adopt the prices named and not permitted to vary from the schedule."

591 Witness: I do not recall such a schedule, or that our general agent wrote about such a schedule. I recall no conversation at all with any local agent about such a schedule.

Whereupon counsel for the Government read further from said Exhibit 84 as follows: "We are in sympathy with every well-directed effort toward the maintaining of a retail price that will give agents a legitimate profit, but for many reasons which will occur to you which it is not necessary to repeat here, it is not wise that this company should fix arbitrary retail prices and endeavor to compel all its agents to maintain them."

Witness: That subject of retail prices was never discussed between the general agent and myself that I remember.

Counsel for the Government thereupon read from said Exhibit 84 as follows: "Each general agent should send out the retail prices which he suggests to his own agents

V

in his division, without any intimation to his agents that he is acting in combination with any of the other divisions, and for this purpose we suggest the following form of letter to be used by you in suggesting retail prices to your customers."

Witness: I do not recall having a talk with any agents about such a letter—have absolutely no recollection upon the subject.

Whereupon counsel for the Government referred to Petitioner's Exhibit 87 (Rec., Vol. II, p. 35) which is dated Chicago, July 18, 1903, and read therefrom as follows: "As there is not the same competition in the corn harvester business from concerns outside this company, there is no excuse for cut prices or irregular terms, and you must check any tendency on the part of your agents to demoralize prices or grant irregular terms in sales of corn harvesters."

592 Witness: Never since I have been with the I. H. Co. do I recall talking about fixing retail prices with my general agent. I know there was an exclusive clause in the 1903 and 1904 contracts. Some dealers in my district were allowed to vary from that clause and handled outside mowers. I did not keep a list of my dealers in 1903 and 1904, who handled an independent line of harvesting machinery.

595 The blockmen under me have charge of both McCormick and Deering lines and of everything that the International sells in his block. In 1912 I had 7 canvassers. The  
596 same man canvassed McCormick, Deering and the other lines. Very little canvassing was done with us up there. One canvasser will canvass for everything we make.

The McCormick Company's competitors in 1901 in my territory were Deering, Champion, Plano, Milwaukee, the Minnie binder, and I think some Acme binders. Not a great many Acme or Minnie were sold.

601 There has been very large expansion of the I. H. Co. into other lines since 1902. Some of these lines are wagons, spreaders, disc harrows, lever harrows, automobiles, delivery wagons, hay loaders, corn shellers, gasoline engines, hay presses, feed grinders, cream separators, pump jacks, corn planters, alfalfa renovators and cultivators. We sell these lines to anybody that will buy them, including dealers who handle our old lines.

We have not found the ownership of the McCormick and

## V

Deering binders are of assistance to us in making sales of these new lines. I wish to modify that; they are of some assistance. I have found the agents handling those lines useful in furthering sales of the new lines. As a rule, in my general agency the McCormick and Deering lines are assigned to Different dealers.

There is a sale in my general agency of the Milwaukee, Plano, Champion and Osborne binders, mowers and rakes. Wherever we can get them in we assign those lines to different dealers. As a general rule we give one dealer two lines of harvesting implements in my territory, but we keep the McCormick and Deering separate as far as possible. We allow a dealer handling the McCormick to handle one of the smaller lines, namely, Milwaukee, Champion or Plano.

I cannot approximate what per cent. of the sales of harvesting implements in my agency consists of Deering and McCormick lines. I do not think it is 90 per cent. or more. Milwaukee is the next line to Deering and McCormick, and after that the Plano and the Champion. In my agency the per cent. of binder and mower business in the Plano, Champion and Milwaukee lines is 5 per cent, or less. I guess that 90 per cent. of the harvesting line business in my agency is Deering and McCormick. It is fairly evenly divided between them.

I have never refused to renew a contract with the dealer for the McCormick or Deering line until he would take some of our new lines, nor held up the signing of a contract until he agreed to take on some of the new lines. I never heard of the I. H. Co. holding up a contract on one of its McCormick or Deering harvesting lines until the dealer took the new lines.

## VI

137 H. E. DANIELS:

I have been general agent for the I. H. Co. at Council Bluffs, since March, 1912. I have four counties in Nebraska and twelve in Iowa. I was assistant to the general agent at Council Bluffs from January, 1908, to March, 1912. Prior to 1908 was blockman at Council Bluffs 2 years, and before that, from about the I. H. Co.'s organization, I was blockman at Salina, Kansas.

## VI

*Never Attempted to Coerce Dealers.*

A block is anywhere from 25 to 50 towns. The general agency is divided up and one salesman assigned to each section. We call each section a block and the traveling man within that a blockman. As assistant general agent I assisted the general agent in the supervision of the business. For two years I have had general charge and am familiar with the manner in which the business has been carried on.

139 I never attempted, either as blockman, assistant general agent or general agent, to coerce the dealers into refusing to buy goods of competitors. I had a close acquaintance with the dealers in our territory. In my judgment an attempt to coerce them into refusing goods of competitors would not succeed. The effect, I think, would be to lose the dealers' business.

*Cross-Examination.*

150 There has been a great expansion of I. H. Co. into  
151 other lines than these they started with in 1902, such as engines, spreaders, wagons, cream separators, shellers, feed grinders, side-delivery rakes, hay loaders, harrows, disc harrows, drills and threshing machines.

152 I represented the Champion in Salina in 1902. The companies doing business there in 1902 were the Deering, McCormick, Plano, Milwaukee, Champion, Osborne, Acme, and the Craver. I think the McCormick, Deering, Milwaukee, Champion and Plano did most all of the business in harvesting implements in Kansas in my territory.

By "coercion" I mean an attempt to have a dealer discontinue handling certain competitive lines. After the I. H. Co. entered upon the new lines a large per cent. were sold to agents already handling I. H. Co. harvesting machinery.

153 That we have a large per cent. of business in harvesting implements has helped in expanding the new line sales. I would call it coercion to ask a dealer to take on our wagon as a condition of continuing to handle our harvesting implements. I would not ask a dealer to do that.

154 Practically all dealers handle harvesting implements, but not all of them. That dealers have our harvesting line would not help us in selling them our wagons, spread-

## VI

ers or anything else. The average dealer does not like the  
 155 harvesting business. There is not enough profit in it. They have got to have it, it is staple, and the McCormick and Deering binders are staples. The dealer has got to have them as a grocer has got to carry sugar. He should have some harvesting implements, but it is not a necessity in the business. That we control that large per cent. in harvesting business has no effect upon a dealer when he is asked to take our new line.

The blockman who goes to the dealer with the contract for the McCormick or Deering agency will offer the dealer also the new line.

165 We use about 22 canvassers as an average the year round. Part are experts whom we use to take care of our troubles. A great many of the instructions which we give to our blockmen are oral.

As far as I know the business is carried on in my agency the same as in other agencies. The general agent issues his instructions to the blockmen orally as a rule.  
 166 I would consider that coupling the new lines with the old lines and requesting the dealer to take the new lines would be attempted coercion.

Our general agent at Fort Dodge, Iowa, is C. A. Claypool. I think he was there on November 25, 1911. I have had very little correspondence with him. I have seen his signature, but am not able to say whether he signed the letter shown me. I do not know G. G. Perrott, Early, Iowa. The Fort Dodge agency adjoins my agency on the north. It was not a part of my duty as assistant general agent, and was not necessary for me to know, the names of the blockmen in the adjoining general agency. In my general agency there are 8 blockmen.  
 167  
 168 It looks like the signature I have seen, but I would not say that it is his signature.

Mr. Grosvenor: Now, I will read this letter. It was dated November 25, 1911, and written by C. A. Claypool to G. G. Perrott. Letter directs that commission contracts will not be approved until sale orders are received.  
 170 I would not think that letter contains the expression of our policy as to combining the harvesting lines with the sales lines.

I do not know how far Claypool means with reference to sales lines. There are sales lines that go with the goods, such as repairs, etc. I do not know what the sen-

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tences, "there is nothing to be gained by writing agency  
 171 commission agency contracts alone" and "these contracts  
 will not be approved until the necessary sale orders covering  
 kindred sales lines are placed in our hands," mean. I  
 have no idea what he was driving at when he said in the  
 letter, "this year we are going to insist more than ever  
 before that our McCormick and Deering lines shall carry  
 the kindred sales lines, the sale orders to cover goods in  
 such quantities as under ordinary conditions the dealer  
 can reasonably be expected to handle during the season,  
 taking into consideration his territory and other condi-  
 tions." I would say that if a general agent of the Inter-  
 national wrote that letter he had gone out of his mind  
 for the moment.

172 The firm of Wallace & Geise tried to get our harvesting  
 lines. I could not give them either the Deering or the  
 McCormick line. I did not tell them they must buy some  
 of the other lines. I told them both the Deering and Mc-  
 Cormick lines were contracted in Council Bluffs by old  
 established dealers there. We tried to sell them other  
 goods, but they wanted the McCormick lines and nothing  
 else. I did not tell them that they could have the Mc-  
 Cormick line if they would buy the other lines.

173 50 per cent. of the business in my general agency is  
 in binders, mowers, rakes and twine. Prior to January,  
 1912, the same blockmen had charge of the Deering, the  
 McCormick and the other lines. Since then we have in a  
 way divided the new lines among the blockmen.

In every block we have two blockmen. In block 1, the  
 blockmen are J. W. Kelly and J. H. Fitton. Mr. Kelly has  
 supervision of the Deering, the Champion and the Plano  
 lines and of wagons, manure spreaders, engines and  
 174 cream separators. Mr. Fitton has supervision of the Mc-  
 Cormick, the Milwaukee and the Osborne lines and also of  
 wagons, manure spreaders, cream separators and engines.  
 One of these men has the Weber and the other the  
 Columbus wagon. Each has a different brand of manure  
 spreader, different engines, and different cream separa-  
 tors. The two blockmen do not endeavor to place their  
 lines with the same dealer. In my territory we have  
 made practically the same effort to sell all the different  
 lines.

## VI

## 222 WILLIAM J. PILANT:

I am a general agent of the I. H. Co. at Omaha, Neb.,  
 223 and have about 30 counties north and three counties  
 south of the Platte river in Nebraska. I was blockman at  
 Grand Island, Nebraska, from 1902 until January, 1909,  
 when I became assistant general agent at Omaha. In a  
 little over one year was made general agent at Council  
 Bluffs, Iowa. I held that position two years. Have been  
 general agent at Omaha since.

*Never Attempted to Coerce Local Dealers; Could Not Be Done.*

From my experience as blockman, assistant general  
 agent and general agent, I have become familiar with the  
 agricultural implement business in the territory and am  
 familiar with the manner in which the implement business  
 is carried on. I am acquainted with a great portion of  
 the dealers who retail the agricultural implements in the  
 territory named. I have never in any of my capacities  
 224 with the I. H. Co. attempted to coerce local dealers into  
 refusing to handle goods of competitors. From my knowl-  
 edge of the dealers in the territory mentioned, I do not  
 believe that could be done.

*Cross-Examination.*

237 It is not customary for a general agent to know the  
 names of the blockmen in the adjoining agency. I am free  
 to tell you I do not know them. I do not know a man  
 238 named Perrott.

I was blockman for McCormick Company at Grand  
 Island, Nebraska, in 1902. In 1902 the leading compa-  
 nies manufacturing and selling harvesting machin-  
 ery in Grand Island were the McCormick, the  
 Deering, Milwaukee, Champion and Plano. After 1903  
 I was blockman supervising the sales of the four lines,  
 Plano, Champion, McCormick and Deering, which before  
 1902 had been selling in competition in that territory.  
 The Acme was sold there and enjoyed a trade the same as  
 the rest of them. Excepting the Acme, the I. H. Co.  
 brought together the greater portion of the business in  
 harvesting machinery.

In the years following 1903, I supervised the sale of  
 239 the new lines upon which the International entered from



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year to year. Of those new lines the wagon came first; engines, manure spreaders, hay tools, feed grinders, tillage implements, corn shellers, cream separators followed. About 40 per cent. of the business done by my general agency is in new lines. I do not think the binder lines assist us in expanding the sales in these new lines, because a dealer will buy what he likes. As I began to  
 240 sell these new lines the large percentage of the harvesting business which I was doing did not assist me in selling the new lines. We have agents that have handled binders for years, and will not buy anything else from us. The only advantage the old lines of harvesting machinery have been is the fact that those lines being there give you an opportunity to try to sell that man goods. If he did not want them he would not buy them if he had all of the binders. That has been our experience, and I have tried awfully hard to sell goods for a good many years.

## VIII

202 T. E. DONNELLAN:

*Dealers Would Meet Coercion with a Refusal to Do Business.*

Have been general agent for the I. H. Co. at Topeka,  
 203 Kansas, since 1908, my territory has about 14 counties north, south and west of Topeka. Have been connected with I. H. Co. since its organization from 1902 to 1908 as blockman, one year in Kansas City and the balance at St. Joseph. As blockman and general agent of the I. H. Co. I have been in contact with dealers in the transaction of business in the territory. I never have stated or intimated to dealers that they could not handle the I. H. Co. machinery if they handled competing harvesting machinery or unless they increased their purchases of new lines from the I. H. Co. I never attempted to coerce  
 204 their action in purchasing goods. I am well and widely acquainted with dealers within my agency. If the I. H. Co. should attempt to enforce a policy of not letting the dealer handle I. H. Co. harvesting machinery unless he refused to handle competitors' goods, I think 90 per cent. of them would refuse to do business with us.

205 In 1902 and 1903 I was blockman for the Deering Company.

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214

*Cross-Examination.*

Before I went into the employ of the I. H. Co. in 1902, I had been with the Deering only 11 months. In the eleven years since 1902 I had one promotion, from blockman to general agent at Topeka. While general agent no contracts were concluded with dealers without my approval. While blockman, I contracted with local agents and these contracts were sent to the general agent, who  
 215 approved or disapproved them. When I was blockman, I followed instructions received from my general agent in making contracts.

When I was a blockman, W. P. Yancy of Kansas City, and W. G. Criswell of St. Joseph, were my general  
 216 agents. Yancy was of the Deering division. I cannot state whether he was under C. H. Haney, the head of the sales department of the Deering division, at Chicago. Yancy gave me my orders. In 1902 our contracts were with the Deering Harvester Company and had an exclusive contract clause. We continued the same form of contract for two or three years following. I never called a dealer's attention to the exclusive clause in the contract. I am positive about that. That clause  
 217 was not enforced. Yancy did not direct me to enforce it. I do not remember having any instructions as to it. I recall the clause in the contract. For a short time I was under Yancy's jurisdiction.

*Examination as to Business in 1902 and '03.*

Counsel for the Government read from a letter addressed to Cyrus H. McCormick dictated by R. C. Haskins and signed R. C. Haskins, C. H. Haney, A. E. Mayer, O. W. Jones, M. R. D. Owings, and dated Jan. 15, 1903, Volume II, p. 264 of the printed record, to the effect that so long as there is competition it is desirable to maintain five selling organizations, to get the largest effort from the greatest number of local agents, and to utilize the available local agency material rather than permit any of it to become available for competitors.

To carry out this plan it becomes necessary for each Division, as far as possible, to make exclusive contracts, and thus get for that Division the exclusive effort of the local dealer. To secure this it is necessary to give the local dealer the exclusive sale of the full line of the Division he is representing.

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The Witness: C. H. Haney was an employe of the  
 218 Deering Company and of the division of which I was a  
 blockman before the International was formed. I do not  
 know what position he held immediately after the I. H.  
 Co. was formed. I think he is with the International  
 to-day but could not say positively.

Counsel for the Government read from a circular  
 dated Sept. 6th, 1902, addressed to general agents and  
 appearing in Vol. II, at pages 102, 104, of the record as  
 follows:

"General Policy. Contracts provide for exclusive ar-  
 rangements. You must not interfere with the organiza-  
 tion of the other Divisions; even though you receive an  
 unsolicited application for the agency of Deering ma-  
 chines from an agent of some other Division."

The Witness: The general agent himself probably  
 made a few of the contracts. I, as blockman, with other  
 blockmen in Yaucy's agency were practically the only  
 ones who could make contracts. That circular and par-  
 agraph headed "General Policy" laid down a rule which  
 I must carry out, if it had been given me.

Counsel for the Government read from General Cir-  
 cular No. 15, addressed "Deering Division" (Exhibit 123)  
 appearing in Vol. II at page 105 of the record, in sub-  
 stance as follows:

Correspondence indicates that representatives of some  
 divisions are informing local agents that there is no ob-  
 jection to handling two or more of the machines of the  
 I. H. Co. of A. We wish to say most emphatically that  
 it is just as necessary now and just as desirable, or even  
 219 more desirable, to have exclusive agents as in the past.  
 We will not permit any agents who have been exclusive  
 in the past to become combination agencies with other  
 machines, whether machines of other divisions or outside  
 machines. The permission to have combination agencies  
 was intended to cover points where such agencies had  
 existed in the past, and even then the manager of each  
 division wished that whenever possible for one of the  
 divisions having such a combined agency to find another  
 agent, he should withdraw. Where you have not had  
 suitable agents you must hunt for independent material,  
 in that or a nearby town, and not permit your contracting  
 agents to cover their inability by sliding in with the

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agent of some other division. This is the easiest way for a weak contracting agent to cover his territory.

The Witness: The blockman is the contracting agent, I do not remember receiving the instruction you read.

That was a circular to the general agent, but that does not indicate the blockman got it. I was to follow the orders of the general agent. I never enforced that clause. I do not know of my own knowledge that this clause was  
 220 enforced in 1902 and 1903. I do not think I have instructions contrary to what was laid down in that circular to the general agent. I preserved no memoranda indicating any contrary policy, because I do not remember of getting those instructions as emphatic as you have got them there. Those instructions were not sent to blockmen; but to general agents. I have testified that the blockman was the contracting agent for the general agent. I have preserved the general agency files from 1908 to now; I think my files go back of that date.

I could not say whether I had any circulars sent to the general agency in 1902 indicating a contrary policy to that laid down in this letter. I have never gone through the records back of 1908. I have only my own word—oral—without any contemporaneous documents to oppose the policy declared in this circular.

I have only been present during the Kansas City hearing part of the time. Have had some duties with the I. H. Co. getting witnesses from my agency to testify.

221 I think I have got the names of the witnesses from all the blocks. Whereupon the witness proceeded to give them.

222 In 1902 when I was blockman at Kansas City, I made contracts for the Deering divisions for 1903, and in 1903 and 1904 as blockman at St. Joseph I contracted for the first year there for the Deering division, and in 1904 for the I. H. Co. after the five divisions had been merged.

While at Kansas City I think the Deering division had five other blockmen in the same general agency. I covered one-sixth of the Kansas City general agency.

I don't remember how many commission agency contracts I concluded for the year 1902. The blockman took the commission agency contract to the local agent to sign. The blockman himself signed it and sent to the general agent. In 1902 as blockman I signed I judge 40 to 60 of

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these contracts. I think all contained the exclusive clause.

I do not consider submitting to a local agent a contract with the exclusive clause in it, an intimation that he must not handle other harvesting lines, unless I called his particular attention to it. Not one dealer out of 100 ever read the contract.

223 I think every contract we had—and for years before—had the exclusive clause in it. It was the same contract we had while I was with the Deering.

I think the contracts I made in 1903 also contained the exclusive clause. I cannot remember whether it was 1904 or 1905 that the contract was changed. In all I signed and submitted to local agents after the I. H. Co. was formed over 100 contracts containing that clause. I never intimated to any local agent that he was not to handle harvesting machinery not made by the I. H. Co.

Counsel for the Government read from Petitioner's Exhibit 125 (Vol. II record, p. 109) a circular issued by the Deering division to the general agents of that division, dated November 18, 1902, in substance as follows:

We regret to find that in some territories there are a few non-exclusive contracts. Some are in favor of machines not manufactured by the I. H. Co. In these cases we shall expect you to make them exclusive for 1903. Where two or more machines manufactured by the I. H. Co. were handled by one agent last year the ruling of the Executive Committee is that one organization must not interfere with the agents of another division. In such cases one division cannot insist on exclusive contracts as against the other. Each division has an equal right to contract with that agent for 1903. It is the desire that each division have its own exclusive agents, and where these combination agencies existed for 1902, wherever it is possible, you should get another agent equally desirable, as the combination agency, and who will handle the goods of this division exclusively.

224

I have no recollection of carrying out the policy laid down in that circular. I have no recollection of receiving instructions in the fall of 1902 for 1903 contracts. I was doing the best I could to follow out instructions my general agent gave me.

I think Yancy is general agent at San Francisco; he

## VIII

was transferred there some time last fall and would be better qualified than I to testify as to that general agency policy in 1902 if he received those instructions.

- 225 In 1903 my general agent at St. Joseph was W. G. Criswell. He is now general agent at Springfield, Missouri. There have been a few changes of the general agents of the company in the last year. I do not think there have been more changes than in any one period of the same length in my experience with the International. Three or four years ago they changed 25 or 30 of them in one year.

I was located at the St. Joseph agency on August 17, 1903.

*No Recollections of Instructions from General Agent Respecting Circular of August, 1903.*

Counsel for the Government read from Petitioner's Exhibit 131 (Vol. II record, p. 118) a circular sent out to the Deering division under date of August 17, 1903, as follows:

“Exclusive Agencies.

“This is covered by Clause 23, and no change is made in this except the elimination of the sickle grinder from the exclusive feature and the penalty on the sickle grinder. The same instructions you have had covering exclusive agencies will apply at the present time. We want exclusive agents, and the only exceptions will be to permit the continuation of joint agencies between the different divisions that existed last year. Under no circumstances do we want a joint agency with any outside manufacturer.”

- 226 I was blockman at St. Joseph for the year 1904. During the period covered by that circular I was writing contracts for 1904 business. I have no recollection of instructions from my general agent respecting the circular referred to. If they were issued, they were not issued in that form, because they were never carried out. I do not know whether the general agent sent copies of the circulars he received from Chicago to the blockmen. When I was a blockman I usually got my instructions by letter.

Before I testified I had never intimated to any local agent that he should not handle harvesting machinery not made by the International, I did not look up the letters

## VIII

or instructions which I may have retained to refresh my recollection. I don't think I have seen one of them (if I have them yet) as they were issued in 1903 or 1904.

227 What you read is contrary to the policy I followed if I ever received those instructions but I do not remember of ever receiving them, and I can produce contracts which were in violation of that clause. I don't remember changing or erasing an exclusive clause even when I knew the dealer was handling another line. What I was doing as a blockman in 1902, 1903 and 1904 was directly contrary to the instructions issued in that circular.

228 I have no recollection of receiving contrary instructions, nor any recollection of any instructions. There was a little agitation in the trade about these exclusive contracts, but not much. All I know is from newspaper reports.

I think the reason a committee of dealers was appointed to see the I. H. Co. about eliminating that clause was that dealers handling competitive lines agitated it more than I. H. Co. dealers. Other harvesting concerns did not like it. That clause did not prevent the goods of outside concerns getting into the hands of the dealer. There never was a dealer in the territory that observed the exclusive clause. Every contract he signed not only with us but with other concerns had an exclusive clause in it, and they never paid any attention to it. This harvester committee as it was called was not appointed by the implement dealers convention from my recollection of the report in the Implement Trade Journal, to take up this exclusive clause contract as much as for taking up other items in the business.

230 What I was doing and the policy I followed in making sales to the agent was directly contrary to that laid down in that circular from the head office.

I think in May, 1903, I was at Kansas City. The canvasser works under the blockman and canvassing that was being done from Kansas City was in part under my direction.

Counsel for the Government read a report of the sales committee, dated May 7, 1903, from printed record, p. 285, volume II, as follows:

"2. Decided to ask the following general agents to name towns where Minneapolis competition is strong and where International organization will justify extra

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canvassing"—naming twelve cities, among others Kansas City.

231 The Witness: Minneapolis competition related to what was known as the Minnie binder, manufactured at St. Paul, for which there was very small sales in my territory. I never had any extra canvassing to meet the Minneapolis competition from Kansas City. I know who our canvassers were and for that year and the previous year they were not increased. Special canvassers if employed would be employed by the general agent. Yancy would be more qualified to testify in regard to this than I.

The Minneapolis Co. ceased several years ago selling their binders. There were some companies that used to manufacture—and perhaps do now—repairs which were sold and used on International machines. The sale of repairs was to local agents. The commission contract covered the commission line repairs. Repairs came under my jurisdiction.

Counsel for the Government read from Petitioner's Exhibit 131, a circular of the Deering division, dated August 17, 1903, as follows:

232 "Clause 8 in the old contract prohibited the agent from buying repairs from any other than this company under penalty of forfeiture of commissions earned on the sale of such outside repairs. Some of the more desirable agents who have considerable trade have ignored this feature of the contract, and have bought their sections, guards, canvases, etc., from outsiders, because the prices were lower."

(Counsel stated that the circular suggests a change, and says that the dealers must elect at the beginning of the season.

The Witness: I do not remember anything about this subject of repairs and change in the form of the contract that year.

Counsel for the Government directed the attention of the witness to the fact that the circular concluded with "This is to shut out the outside concerns who will make it a point to work this trade, if possible, in advance of the harvester companies."

The Witness: I have no recollection of instructions received by me from my general agent in regard to that matter. I recall no conversations with local agents in



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regard to this change in the contracts. I do not think I intimated to any dealer that he was not to handle outside harvesting implements.

233 I think I was in St. Joseph in November, 1904, and had contracts for 1905. I do not remember just what year the exclusive clause was stricken out; it was changed in 1905 or 1906.

Counsel for the Government read from Petitioner's Exhibit 271, Vol. 3 printed record, p. 458, a circular letter by the Sales Department to the general agents, dated November 11, 1904, as follows:

"Where we furnish goods to an agent for sale on a commission or consignment contract, our interests demand that such articles be handled solely on an exclusive basis. Such articles as are included in our sales contract and are bought outright by the agent need not be on an exclusive basis provided the agent will buy such reasonable number as will protect us in the trade."

The Witness: I have no recollection of any conversations with my superiors as to the policy I should follow in making contracts after November 11, 1904. My mind is an entire blank as to details of the instructions received by me in regard to the making of contracts either in St. Joseph or Kansas City.

I do not know whether the general agent ever received these instructions and do not remember that I ever received them from him.

## X

222

*Cross-Examination Resumed.*

When I was examined before I was asked whether I had preserved instructions which I had received in 1902, 1903 and 1904 from general agents contradictory to the instructions contained in the general circulars read to  
223 me.

I looked but found no instructions issued to me while I was a blockman, by general agents relating to the matters respecting which counsel cross-examined me.

We do not call one blockman the McCormick blockman and the other the Deering; we call them by numbers. Since about January 15th, this year I have had two block-  
224 men responsible for the same block, with the different lines divided between them.

The McCormick blockman has charge of the McCormick

## X

harvesting lines and wagons, Cloverleaf and Low Down spreaders, Dairy Maid cream separators and Weber wagon. He has the Osborne tillage tools, including harrows and cultivators, hay tools, tedders and hay presses. We have a miscellaneous line, such as corn shellers, and the dealer who has the contract in the town covers that line.

- 225 The Deering blockman sells spreaders, wagons, cream separators, tillage implements, hay tools and engines, Corn King and Low-lift spreaders. The 20th Century is on the miscellaneous list and is handled by either. The Deering man has the Bettendorf and Columbus wagons, and Blue Bell cream separators. The Lily cream separator is on the miscellaneous list. We have never worked it on our territory. The Deering man has the Keystone tillage implements. The engines are divided only in the tractor line between the Mogul and Titan. The other engines are on what we call the miscellaneous list. We have only one agent for them in a town. The Deering gets the Titan tractor, and the McCormick the Mogul.

**TESTIMONY OF COMPETITORS THAT INTERNATIONAL HARVESTER COMPANY HAS NOT AND COULD NOT COERCE IMPLEMENT DEALERS.**

## XI

C. H. ALLYN, Vice-President, Madison Plow Co., Madison, Wis.:

- 203 We sell our implements in the main to retail implement dealers who, in most instances, handle I. H. Co. harvesting machinery. We have not found that fact an impediment to selling them implements we handle in competition
- 204 with the I. H. Co. and we have found the field open in the territory where we have done business in competition with the I. H. Co.

In my experience I have become fairly well acquainted with a great many implement dealers in the section named and know their methods of doing business. If the I. H. Co. should adopt and enforce policy of saying that dealers could not handle I. H. Co. harvesting machinery unless they handled their long line exclusively I would say I think that policy eventually, if not right away, would curtail their business. The stronger, more desirable and

## XI

*Competitors Testifying As To No Coercion (Cont'd.).*

vast majority of the dealers would refuse to do business with the I. H. Co. on that condition.

## XII

GEORGE W. BAKER, Asst. Mgr. Johnston Harvester Co., Batavia, New York:

- 48 Am familiar with the trade that handles agricultural implements, especially harvesting lines, and with the local dealers in different parts of the United States. It  
49 would not be practicable or beneficial for a company dealing in such goods to attempt to coerce the local dealer, either by trying to compel him to buy other lines than the harvesting line, or to compel him not to handle any competitive goods of any sort. I should say, it would be detrimental to the company that tried it. \* \* \*

In my territory there are a few instances where local dealers handle our product and I. H. Co. goods. I do not find that any obstruction to my business, or interference with it. Have been familiar with the harvesting machine business in the United States since 1877.

## XI

A. C. BARBER, Sales Mgr., Moline Plow Co., Moline, Ill.:

- 340 We sell our implements throughout the United States to retail implement dealers in the country. That includes implements which we sell in competition with the I. H. Co. We have sold them in quite a large proportion to retail dealers who handle I. H. Co. harvesting machinery. We did not find that fact an obstacle to selling them our machinery. We found no attempt on the part of the I. H. Co. to prevent dealers from buying our implements. Without the figures at hand, should say we sell our goods to from 25,000 to 30,000 dealers in the United States.

- In the years named, while I was general sales manager and assistant sales manager of the Moline Plow Co., and General Agent at Kansas City, Minneapolis and St. Louis, I have kept in close touch with retail dealers, and am  
341 thoroughly familiar with their methods and manner of doing business. If the I. H. Co. should adopt and put

## XI

*Competitors Testifying As To No Coercion (Cont'd.).*

into effect the policy of saying to the dealers of the country that they could not handle I. H. Co. machinery unless they handled that exclusively or unless they carried the full long line of I. H. Co. implements and carried those exclusively, there is no question but what the I. H. Co. would lose their good dealers. There are some with whom they might be able to do that, but it would not be a dealer with very much self-respect. I do not think they could do it.

## XII

484 J. B. BARTHOLOMEW, President, Avery Company, Peoria, Ill.:

In many instances our goods are handled by local dealers in the United States who handle the goods made by the I. H. Co. As to whether we find that fact a detriment or obstacle to placing our product with them, will say not on account of their handling the harvesters. That is not an element in the problem at all.

## XII

1 FRED H. BATEMAN:

I reside at Greenloch, New Jersey; we have been engaged in manufacture of agricultural implements 20 years as the Bateman Mfg. Co.; am vice-president and general manager. I have been familiar with the business of that company 20 years. We make and sell sulky rakes and cultivators in competition with like implements of the I. H. Co. We have made cultivators since 1865, and sulky rakes four or five years. We sell these implements to local dealers who handle like goods of the I. H. Co. I am familiar with the business of my company in this respect. We find it no obstacle or objection in the handling of these articles that the local dealers to whom we sell also sell I. H. Co.'s goods.

## XI

W. C. BERGMAN, Former President of Maytag Co., Newton, Ia.:

4 We have sold these corn shredders to the retail implement dealers throughout ten states, including dealers

## XI

*Competitors Testifying As To No Coercion (Cont'd.).*

who handle the I. H. Co. harvesting machinery in the main. That fact was no impediment to selling them our  
 5 corn shredders. \* \* \* Am in touch with dealers throughout this country in a general way. Do more or less canvassing myself. Have been out over the territory and know the dealers and their methods of doing business.

If the I. H. Co. should attempt to coerce these dealers and should impose upon them the condition that they could not handle I. H. Co. harvesting machinery unless they handled the long line of the I. H. Co. goods, it would be very disastrous to the business interests of the I. H. Co. Dealers would refuse to do business with them.

## VI

E. G. BLANTON, Manager, B. F. Avery & Sons, Peoria, Ill.:

730 I know a great many dealers in that territory, and am familiar, in a general way, with the manner in which the sale of agricultural implements is carried on. In a great many instances sales I make are to dealers who handle the harvesting machinery of the I. H. Co. I think the field in the period covered, has been open to competition to every one who will go after it and get it on the merits of their goods.

731 If the I. H. Co. adopted a policy attempting to coerce the dealers into purchasing its long line of goods, or coerce them into refusing to handle goods of competitors, by making that a condition to allowing the dealers to handle the I. H. Co. harvesting machinery, I do not think it would be a successful policy for any one. My judgment would be that they would lose business by a policy of that kind.

I am speaking on broad general principles; am not intimately acquainted with policy of I. H. Co. or any of my competitors. In my opinion a policy of coercion would not coerce in my territory.

## XIII

*Competitors Testifying As To No Coercion (Cont'd.).*

HARRY W. BOLENS, President Gilson Manufacturing Company, Port Washington, Wisconsin:

- 86 We sell our gas engines to dealers who handle International lines. That fact has not interfered in any way with the sale of our gas engines.

## XI

W. B. BRINTON, President, Grand DeTour Plow Company, Dixon, Ill.:

- 354 We sell to retail dealers altogether, except the engine plows, which we sell to engine manufacturers. We sell these implements to dealers who handle the I. H. Co. harvesting machinery. It would be very hard to find a good dealer who was not. As to whether that fact has been an obstacle to selling these dealers the competing machines of our manufacture, would say since I have been manufacturing plows, have not traveled, but do not remember when I had a letter from any particular people making complaint about I. H. Co. I know these dealers  
355 pretty well. If the I. H. Co. should adopt the policy of saying to them that they could not handle harvesting machinery at all unless they took on the full line of the I. H. Co. and handled them exclusively, would say that if he was a decent, respectable dealer he would tell them to go to hell with their goods. In court he would use more diplomatic language to the same effect.

## XIII

V. E. BUSH, Former Sales Manager, Advance Thresher Co., La Porte, Ind.:

- 103 While I was sales manager for Advance Thresher Company, that company was in competition with the I. H. Co. in the sale of huskers and shredders. We sold four-fifths of our shredders in Michigan, Ohio, Indiana, Illinois, Iowa and Wisconsin. We consigned them to the retail dealers on a commission contract basis, and to dealers who handled I. H. Co. harvesting machinery. The fact that such dealers handled International harvesting machinery did not operate in any way to the detriment of our sales to my knowledge.

## VIII

*Competitors Testifying As To No Coercion (Cont'd.).*

C. A. CADWELL, Branch Manager, Moline Plow Co.,  
Sioux Falls, S. D.:

493 Have sold our goods almost altogether to retail implement dealers handling I. H. Co.'s harvesting machinery. Can't say that I have found the fact that dealers handle I. H. Co. harvesting machinery an impediment to the sale to them of the goods I handle. I know the dealers in our territory pretty generally, their character and business habits. Occasionally I go out on the road, not often. In the time I have been here have met personally a large percentage of the dealers in our territory. It is my business to keep in touch with them, their character and standing.

In my judgment, if the I. H. Co. inaugurated a policy of coercion and stated to the dealers that they could not handle their harvesting machinery unless they handled it exclusively and bought their line exclusively, it would  
494 work to their detriment. I think that with the dealers with whom I am acquainted, coercion would not coerce. Until 1913 I have not been in harvesting machine business for a good many years. I formerly was. Am familiar with the agricultural implement business and conditions under which it is done, including sale of harvesting machinery in a general way.

## XI

J. A. CRAIG, General Manager, Janesville Machine Co.,  
Janesville, Wis.:

225 We sell our implements mostly to retail dealers and some to jobbers—in some cases to dealers who handle  
226 I. H. Co. harvesting lines. I know of no case where that fact has been impediment to selling our implements to them. We meet I. H. Co. in free competition selling to those dealers.

Am acquainted with dealers pretty generally throughout the territory; have pretty fair knowledge of men and their methods of business. If the I. H. Co. should attempt to enforce a policy to the effect that they could not handle its harvesting machinery unless they took its full long line and handled it exclusively, in my opinion they would lose the majority of their best customers.

## VIII

*Competitors Testifying As To No Coercion (Cont'd.).*

535 A. R. DEMPSTER:

I live at Sioux Falls and am in water supply jobbing and farm implement business. I am connected with the Dempster Mill Manufacturing Co. I have had charge of their business in this territory, which includes the larger part of South Dakota, a small portion of southwestern  
 536 Minnesota and northwestern Iowa. We have corn plows or cultivators, grain drills, gasoline engines, hay tools,  
 538 such as hay stackers and sweeps. \* \* \* We sell our implements to the retail dealers in farm implements throughout the territory and in a very large per cent. to dealers handling the I. H. Co.'s harvesting lines. I do not find and have never found that to be an obstacle to the sale of these implements to those dealers.

## V

H. L. DEMPSTER, Sales Manager, Dempster Mill Mfg. Co., Beatrice, Neb.:

514 We sell a large portion of our goods to implement dealers who also handle the I. H. Co. goods. We found that the dealers received our machinery on its merits as they would any other.

## VI

J. E. DUNCAN, Branch Manager, Parlin & Orendorff Plow Company, Oklahoma City, Oklahoma:

717 Nearly all the sales that I make of our implements have been to dealers who handle the harvesting machines of the International. I think I know these principal dealers well enough to have a correct opinion as to what would  
 718 be the effect if the International attempted to coerce them into buying the International line and refusing to buy competitors' goods. In my judgment I do not think that they would stand for it. I think it would ruin the business of the International.



## X

*Competitors Testifying As To No Coercion (Cont'd.).*

E. J. FAIRFIELD, Manager of Lindsay & Co. at Minneapolis, Minn., jobbers of Johnston harvesting line and other farm implements:

270 We do business in our various lines by selling to dealers in farm implements, a great many of whom handle I. H. Co. harvesting machinery. We have not found the latter fact an impediment to our doing business with them in the sale of our implements, where we could interest them in our line.

I find in the selling of the Johnston harvesting implements that they are considered by dealers on the merits of the machines, as they would any other implement. Have found nothing to show that they did not so consider them; they were free to consider them on their merits. Have competed for ten years with the I. H. Co. in practically  
271 the complete line of farm implements that they sell. Am acquainted with the dealers in the territory I have described and am very well acquainted with their business methods.

If the I. H. Co. adopted and attempted to enforce the policy of saying to these dealers that they could not handle I. H. Co. harvesting machinery unless they handled I. H. Co. goods exclusively I think the I. H. Co. would soon get out of the territory.

## IX

B. F. HAMEY, Branch Manager, Parlin & Orendorff Plow Company, Minneapolis, Minnesota:

448 We sold our goods to local implement dealers throughout the territory, a very large per cent. of whom handled I. H. Co. machinery. I have not found that fact an impediment to the sale to them of lines we handle, only the same as any other competitors; it proved no obstacle  
449 to selling our goods to them.

## XII

589 EDWARD HEIDRICH, JR.:

I am vice-president and assistant manager of the Peoria Cordage Co. at Peoria, Ill., We manufacture binding

## XII

*Competitors Testifying As To No Coercion (Cont'd.).*

twine and rope. It is sold throughout the central west  
 590 through local implement dealers, including dealers handling International harvesting machinery. As to whether that is an obstacle to selling our twine,—we find that just the same as we do any customer, it is competition, that is all. Don't know how else to put it.

## XI

## 429 CHARLES C. JONES:

I am general manager of the Sandwich Manufacturing Co., at Sandwich, Illinois, which manufactures agricultural machinery. Have been connected with the com-  
 430 pany for 35 years; as general manager 9 years. \* \* \* We sell to dealers who handle I. H. Co. harvesting machinery. We have not found that any obstacle in selling implements we manufacture to them.

## XI

JOHN L. JONES, Branch Manager of Deere & Co. at Des Moines, Iowa:

422 I did not find the fact that dealers were handling I. H. Co. harvesting machinery an impediment to the sale by us to them of our competing implements.

423 Before my present position I traveled for the Deere Company from June 4, 1909, to October 1, 1909, in western Iowa. I am familiar with the conditions under which the agricultural implement business is carried on in that state, and pretty generally acquainted with the implement dealers and know their methods of doing business. If the I. H. Co. should say to these implement dealers they could not handle the I. H. Co. harvesting machinery except exclusively, and unless they would take the entire I. H. Co.'s implement line exclusively, the majority of the dealers would tell the I. H. Co. to take their goods out of the house. The best dealers would say that, I believe.

## XII

*Competitors Testifying As To No Coercion (Cont'd.).*

F. E. KENASTON, President, Minneapolis Thresher Co.,  
Minneapolis, Minn.:

- 410 The local dealers through whom we have marketed our product, in large proportions have been dealers who were handling International harvesting machinery. We have never found that fact an obstacle to selling our machinery to the dealers. Think in nearly every case we have had our fair share of the business.

## VIII

FRANK H. KENNEDY, Branch Manager, Moline Co.,  
at Stockton, Cal.:

- 193 As jobbers, we handle implements manufactured by the I. H. Co. We handle McCormick mowers, rakes, gasoline engines, Mogul tractors, hay presses, delivery wagons, auto delivery wagons and wagons, all made by the I. H. Co. I am fairly familiar with agricultural implement business conditions in that territory. The International sells its goods through jobbers entirely in that district. \* \* \*
- 198 Q. What is the fact as to whether your company as jobbers of the I. H. Co. harvesting machinery have attempted to coerce the dealers in the purchase of any of the I. H. Co. goods?

(Objected to as immaterial.)

A. The question of coercion as I understand the word, would be a little difficult for me to answer. If you mean that there is a purpose to use the fact that some line of implements that you are selling are well established with the agent and he does not sell the other lines, it certainly is not allowed with my consent as manager whether it is done by my men or not. From my knowledge of the people there, I do not think it could be successfully done with dealers in my territory if it was tried.

## XII

*Competitors Testifying As To No Coercion (Cont'd.).*

H. M. KINNEY, General Manager, Winona Wagon Company, Winona, Wis.:

- 399 We sell our wagons to local dealers, who handle I. H. Co. binders and mowers, and the fact that they handle those International goods is no obstacle to our business.

## XII

WM. R. LUMRY, Manager, Associated Manufacturers' Co., Waterloo, Ia.:

- 548 We sell to dealers who handle I. H. Co. harvesting machinery. We have never found the fact that the dealers were handling I. H. Co. harvesting machinery an obstacle to selling them our gasoline engines.

## VII

WILLIAM E. MANNING, Branch Manager Moline Plow Co., Kansas City, Mo.:

- 3 Am acquainted with a large number of dealers in agricultural implements in my territory and am familiar with their methods of business. In the majority of cases they are merchants, the same as the shoe men or the grocery
- 4 men. I do not see how the International could coerce the implement dealers in the territory by refusing to let them handle their harvesting machinery unless they refused to buy of the competitors. I think the effect of it would be that the dealers would cease to do business with them.

## XIII

G. M. MATSON, Vice-President, John Lauson Mfg. Co., New Holstein, Wisconsin:

- 96 To a considerable extent we sell to dealers who handle the harvesting line of the I. H. Co. We have never found
- 97 that fact an impediment in marketing our goods through them.

## XII

*Competitors Testifying As To No Coercion (Cont'd.).*

457 F. LEE NORTON, Treasurer, J. I. Case Threshing Machine Company, Racine, Wis.:

We sell through local implement dealers and to dealers who handle I. H. Co. harvesting machinery. As to whether we have found the fact that the dealers handle the I. H. Co. harvesting machinery was an obstacle to selling them our implements, I should say no more so than any other particular competitors in proportion. The field has been open in competition; like the Rumely Products Co., who are perhaps our strongest competitors.

## IX

HENRY L. PIERCE, Branch Manager, Emerson-Brantingham Co., Minneapolis, Minn.:

279 I sold in competition with the I. H. Co. to agricultural implement dealers, who, in most cases, handled I. H. Co. harvesting machinery. I did not find that fact an impediment in selling my implements to them.

I was in personal and active touch with the business in the territory, covered part of it myself, traveling over  
280 it. Was fairly well acquainted personally with the dealers in it and their business methods. If the I. H. Co. should say to those dealers that they could not handle I. H. Co. harvesting lines unless they handled I. H. Co. goods exclusively, in the great majority of cases they would tell them to take the whole stuff,—all the goods.

## X

218 ROBERT H. PROCTER, Branch Manager, Rock Island Plow Co., Minneapolis, Minn.:

A great proportion of our sales were made to dealers who handled the I. H. Co. harvesting lines. It was no impediment to our selling to the dealer that he handled such lines. I know the dealers pretty well throughout  
219 the territory and their method of doing business. They are merchants handling agricultural implements. \* \* \*

If the I. H. Co. should adopt and enforce a policy of saying to the dealers throughout that territory that they could not handle I. H. Co. harvesting lines unless they

## X

*Competitors Testifying As To No Coercion (Cont'd.).*

handled their long line exclusively, I think that would be absurd. The dealers would take no notice of it. The many men I have spoken to in the implement business would simply tell the Harvester Company to get out of the way. That would be true indeed of the great percentage of dealers.

## XIII

117 G. W. RENYX, Manager Omega Separator Co., Lansing, Mich.:

We sold to retail implement dealers who handled International harvester lines. The fact that they handled  
118 those lines did not to my knowledge, in any way interfere with the sales of our cream separators.

## XIV

EDWARD A. RUMELY, Treasurer, Rumely Company, La Porte, Ind.:

11 We sell our implements to local retail dealers throughout the country. He is an important factor in our business. Between 25 and 35 per cent. of our dealers I should think, are also agents of the I. H. Co. As to whether we found the fact that dealers were handling the I. H. Co.'s goods, an obstacle to our selling our articles to them, will say we have found them free. We found dealers measured up the price and terms upon which we could sell a tractor and the terms and the price upon which the I. H. Co. could sell them and the ease with which ours could be sold; we had to match what we had to offer against the I. H. Co. in the same line. To that extent naturally it was more difficult than if the dealer had no other tractor to get. We felt that that was legitimate competition. We have found the fact that the dealer handled the Harvester Company's implements no obstacle to our inducing him to handle our tractors.

## VII

*Competitors Testifying As To No Coercion (Cont'd.).*

C. S. SLAKER, Branch Manager Sechler-Janesville Lines, Kansas City, Mo.:

- 18 In most instances the sales we make are to dealers who handle harvesting machinery of the International. We have found that no impediment to the sale of our goods. We sell in competition with the I. H. Co. I am generally and widely acquainted with the dealers in the territory I have named. If they tried to coerce the dealers in this territory the dealers would tell them to get out.

## XIV

- 1 GEORGE A. STEPHENS, President Moline Plow Co., Moline, Ill.:

- 2 Local dealers throughout the country have become stronger and more independent than they were some years ago. In the beginning, the dealer was, to a very great extent the manufacturers' representative. We dictated to him very largely as to what he should do with our goods. The development of trade conditions has been that the dealer has gradually become a merchant instead of the manufacturers' representative. The restrictive provisions in the old contracts, survived the fact and remained as dead letters even after the dealers became and were independent merchants, and some of them remain even today.

- 3 In my judgment, based upon my knowledge of conditions of implement dealers and their position, the effect on the business of the I. H. Co., if they should adopt the policy and attempt to enforce it, of saying to these dealers that they could not handle the harvesting machinery of the I. H. Co., unless they took the entire line and handled it exclusively, would be that we would get more of the International trade. It would be a losing proposition for the I. H. Co. They could not successfully enforce such a policy.

## X

*Competitors Testifying As To No Coercion (Cont'd.).*

WM. H. TAYLOR, Branch Manager, Moline Plow Co.,  
Minneapolis, Minn.:

45 I know a good many of the dealers in farm implements  
in this western country pretty well, and their methods of  
doing business.

46 If the I. H. Co., throughout this territory, should adopt  
and attempt to enforce a policy of saying to the dealers  
in farm implements, that they could not handle I. H. Co.  
harvesting machinery unless they handled the line of im-  
plements of the I. H. Co. exclusively, in my judgment  
the result would be that they would lose 60 per cent. of  
their trade.

In the sale of implements for the Moline Co., since I  
have been manager, my sales have been to the retail im-  
plement dealers throughout the section. These dealers  
in the main handle and sell the I. H. Co. harvesting ma-  
chinery. We have not found that fact an impediment to  
the sale of these tillage tools and wagons we sell in com-  
petition with the I. H. Co.

## VIII

JAMES VIETCH, General Agent, Thomas Mfg. Co.,  
Sioux Falls, S. D.:

450 We sell our goods to the implement dealers, a large  
proportion of whom handle I. H. Co. harvesting machin-  
ery. Have not found that fact an impediment to our  
selling to them our implements. I know the dealers in  
my territory quite well. If the I. H. Co. should start out  
on a policy of insisting with each implement dealer in  
the territory that he could not handle their harvesting  
machinery unless he handled that and their other imple-  
ments exclusively, would say it would be much easier  
for the rest of us. I would like to see them do that. A  
good many dealers would not abide by it and it would be  
easier for us to sell our goods.



## XI

*Competitors Testifying As To No Coercion (Cont'd.).*

253 H. M. WALLIS, President J. I. Case Plow Works, Racine, Wis.:

We sell the product of our factories through local dealers throughout the country, many of whom handle I. H. Co. harvesting lines. I do not think we find that fact an obstacle to the sale of our implements to those dealers—in the main. Our business has prospered in the lines with which we compete with the I. H. Co. I am acquainted  
254 with dealers throughout the country in general way and know manner in which business is done and the dealer's general character.

If the I. H. Co. adopted the policy of insisting that they should not handle I. H. Co. harvesting machinery unless they handled the whole long line of the I. H. Co., and that exclusively, you would get varying conditions. A man independent enough would tell you to take your line out of his house; if not independent enough, he might consider it and might do something different. A strong man, if able to protect himself, would not stand for it. Dealers who might be affected by it would be weak, not the strong ones.

## VII

LOUIS T. YOUNT, Manager, Oliver Plow Company, Kansas City, Mo.:

22 We have in the main sold our implements to dealers who handle the binders, mowers and rakes of the International and frequently ship in the same car with the  
23 International; in other words, the dealer makes up what we call carloads. I have not found the fact that the dealer bought harvesters, mowers and rakes from the International an impediment to selling our goods to the same dealer. I am acquainted with the dealers in my territory in a general way, and I have been in the implement business since 1885. In my judgment, if the I. H. Co. tried to coerce these dealers into handling their harvesting machinery, the dealers would tell them they could get along without them. That is true of all the strong dealers and the men who really do the business.

**TESTIMONY OF 823 RETAIL IMPLEMENT DEALERS FROM  
THE PRINCIPAL GRAIN GROWING STATES WHO TESTI-  
FIED AS TO THE FAIRNESS OF THE INTERNATIONAL'S  
METHODS AND PRACTICES.**

In all 823 retail implement dealers testified for defend-  
ants. The testimony of a number of such witnesses from  
the different states is here abstracted as being represen-  
tative of all. From an alphabetical list containing all  
such dealers these names were arbitrarily selected by  
states in the order in which they appear on such list.  
From the 69 dealer witnesses from Illinois the first 5 on  
the alphabetical list were selected; and in the same man-  
ner 3 out of 24 from Indiana; 5 out of 95 from Iowa; 5 out  
of 113 from Kansas; 3 out of 24 from Michigan; 5 out of  
96 from Minnesota; 5 out of 88 from Missouri; 5 out of  
70 from Nebraska; 2 out of 19 from New York; 5 out  
of 35 from North Dakota; 3 out of 29 from Ohio; 5 out  
of 25 from Oklahoma; 3 out of 21 from Pennsylvania; 5  
out of 31 from South Dakota; and 5 out of 64 from Wis-  
consin. One dealer was selected from each of the follow-  
ing states: Kentucky, Maryland, Massachusetts, Mon-  
tana, Oregon, South Carolina, Tennessee, Utah, Virginia.

**ILLINOIS.**

**XI**

**221 A. E. AGNEW:**

Am in the hardware, farm implement and harness busi-  
ness in Stillman Valley, Ill. Its annual volume is about  
222 \$25,000, of which about \$15,000 or \$16,000 is in farm im-  
plements. I do about \$4,000 a year with the I. H. Co. My  
annual business in binders and mowers is about \$1,600 to  
\$1,800. I handle Deering and Adriance-Platt binders,  
mowers and sulky hay rakes. Took the Adriance-Platt  
contract this year. Have handled Deering lines about 10  
years.

Handle general line of farm implements, including those  
other than harvesting machinery made by other compan-  
ies and sold in competition with like implements of the  
I. H. Co. I handle Emerson, Deere, Moline and Black  
Hawk lines; Newton wagons and Sandwich hay presses.

## XI

*Testimony of Implement Dealers (cont'd.).*

Have been handling Thomas side-delivery rakes.

223 The I. H. Co. has never said I could not handle their harvesting machinery unless I did more business with that company, or unless I did less business with its competitors. If they should impose such a condition I would try and get along without them. There is no other line of harvesting machinery than International sold at my town, but the Adriance-Platt I mentioned. The Acme harvesting line is handled at Byron and Holcomb, one on each side of mine, which I meet in active competition.

*Cross-Examination.*

224 There are International dealers in each of those towns. At Holcomb the Acme is handled by International dealer. The leading binders in my territory are Deering and McCormick. I think 75% of the binders sold in my territory are International and about the same per cent. of the mowers. Cannot say as to sulky hay rakes. I sell half Emerson and half Deering. I judge about 75% of the corn binders are International. I sell International twine exclusively. Plymouth twine is handled at Holcomb. I sell 20,000 pounds; they sell about same. I believe dealers in adjoining towns handle International twine. More than half of it is International right in that vicinity. Do not handle I. H. Co. spreaders; handle some tedders. Not many are sold around there. Quite a few side-delivery rakes are sold. I sell the Thomas side-delivery.

173 W. E. ALDERSON:

174 Am in the farm implement business at Virden, Ill. Its annual volume is from \$75,000 to \$80,000, of which about \$13,000 or less than a fifth of my business is with the I. H. Co.

I handle a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co.

I handle McCormick binders, have John Deere full line, Janesville, Gale, and Moline goods, Tower cultivators, Sandwich shellers and corn grinders, and I buy of various companies.

## XI

*Testimony of Implement Dealers (cont'd.).*

The I. H. Co. has never said I could not handle their harvesting machinery unless I bought more goods of them or did less business with their competitors. If they made such a condition to my handling their harvesting machinery I would have to say, "Boys, I am very sorry, but I will have to tell you good-by."

- 175 The Independent Harvesting machinery was sold at Virden last year, and I suppose will be this. They have sold considerable stock to the farmers in our neighborhood and that promises sales of harvesters.

*Cross-Examination.*

- They have sold certificates of stock and quite a few implements. I meant certificates of stock when I said stock on direct. There are two dealers in my town, the other handled the Independent line last year—suppose he will have the same line this. He sold quite a number of machines. He carried no International goods. The McCormick is the leading binder, mower and sulky rake in my territory. It is hard for me to say how many of the binders sold in the territory where I am familiar with conditions are International. We do not try to keep a record of the number of binders other dealers sell or that we sell—can make a fair estimate. Until the last year had no competition, practically all the binders sold in the immediate community were McCormicks. Last year Campbell Bros. started with the Independent—they sold a number of binders and mowers in other towns. They have different makes that come in competition with us. Some of them are International. The Acme is handled at Palmyra, and the Johnston at Carlinville. We have run in competition with the Acme from Springfield.

## 171 I. N. BAILOR:

Am in the hardware and implement business at Clinton, Ill. Its annual volume is from \$30,000 to \$35,000, of which from \$10,000 to \$12,000 is in farm implements, twine and vehicles. I do from \$1,000 to \$2,000 with the I. H. Co. or about a tenth of my implement business. We handle Milwaukee binders and mowers, and Osborne hay rakes and International tedders.

## XI

*Testimony of Implement Dealers (cont'd.).*

Handle a general line of farm implements including those made by other companies and sold in competition with like implements of the I. H. Co. We handle a full Racine-Sattley line. Buy nothing of the I. H. Co. except binders, mowers, rakes and tedders.

- The I. H. Co. has never said I could not handle their harvesting machinery unless I bought other goods of them.
- 172 Should they impose that condition there would be a split up right there. I handle Plymouth twine and know of no other harvesting machinery than International being sold at Clinton. I think one Acme was sold last year. The Standard mower is sold by Mr. Needham. Don't know whether he sells any. The Johnston is not handled there at all. Last year a sample was in Maroa, 8 or 9 miles south. Have no knowledge as to their sales.

*Cross-Examination.*

- There are four implement dealer in Clinton. They carry the McCormick and the Deering, and the Milwaukee, and Mr. Needham had an Acme last year. Three of the four carry International lines. I think the fourth has no
- 173 International lines. Would say that 99 per cent. of the binders sold in my territory are International, all of 95 per cent. of the mowers, 75 per cent. of the rakes and about 60 or 65 per cent. of the twine. Quite a few corn planters are sold there. There have been no corn binders sold there at all. Quite a few spreaders are sold, I do not sell International spreaders.

## X

## 405 E. D. BANGSTON:

Am in the implement, pump, repairing and well drilling business at Alexis, Ill. My annual business is about \$40,000, of which from \$25,000 to \$30,000 is in farm implements and twine. I do about \$3,500.00 a year with the I. H. Co. or about one-seventh of my implement business.

- 406 I handle the Deering and Acme binders, and the Acme, the Emerson and the Deering sulky rakes and mowers. Have been in business seven years. Contracted with the

## X

*Testimony of Implement Dealers (cont'd.).*

Acme two years ago. Have handled the Deering seven years.

Have a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle the Rock Island, the Sterling, the Moline and various lines.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I quit handling the Acme or the Emerson, or increased my purchases from them of their other lines. If they should make that a condition to handling their harvesting machinery I would ask them if they were going to try to run my business in the  
407 place of me. If they said yes, they would not put any more stuff in, that would be one thing sure.

There is another man does a little business at Alexis. He sells an occasional McCormick binder. I come in competition with dealers in other towns, where International lines are handled. In other lines there is nothing closer than Galesburg, where the Johnston and the Acme are handled, as well as the International, I think.

*Cross-Examination.*

I sold no Acme binders in 1912, two in 1911. Sold 16 Deering binders in 1912, 5 in 1911. Sold one Acme mower  
408 in 1912, none in 1911. Sold two Deering mowers last year, none in 1911.

Ours is both a corn and grain country. We had a failure in the hay crop; no mower trade whatever. I did not take on the Acme line to kill it in that territory. If a man comes in and wants it he will get it. I push it the same as I do any other line. Sold nine Acme rakes in 1912, six in 1911 and four Deering rakes in 1912.

The I. H. Co. holds some of my notes. I think none are overdue. They are for goods bought last year, which did not sell. The Deering binder is the leading type in my territory. Out of our town the binders sold are principally the Deering. A few McCormick and Deering are  
409 sold around there. It is all International. The International per cent. of spreader business is small. I have sold three corn shockers.

*Testimony of Implement Dealers (cont'd.).*

T. B. BASS:

379 Am in the implement and hardware business at Canton, Ill. The total volume of my business averages about \$35,000, of which \$18,000 to \$20,000 is in implements and twine. I expect about 25 per cent. of that is with the  
380 I. H. Co. I handle the McCormick binders, mowers and sulky hay rakes.

I handle a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle Milburn wagons, the John Deere line and other small lines of various companies.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I bought more of its other lines of goods, or did less business with its competitors. If they should make that a condition to my handling their harvesting machinery I would not handle them, that is all. I would handle some other lines.

*Cross-Examination.*

There are two other dealers handling harvesting im-  
381 plements in my town now. One handles the Deering lines, and I understand the Independent also. The third dealer handles the Acme line. There have not been many Independents sold in our territory. The McCormick and the Deering are the leading machines and have been for many years. Somewhere around 75% of the binders sold in my territory are of the International make. I have just made a guess at it. Do not hear of many outside except International. I think over 50 per cent. of the mowers sold in our territory are the International. Could not tell you as to the sulky rakes.

Was present at the meeting at the Great Northern this morning. Did not count how many were there—looked like twenty or more. Some of those who testified this morning were there. Do not remember about anybody  
382 saying anything about any particular per cent. Do not remember what was said to those people about per cents. of business. If there was anything, I did not understand it, am hard of hearing. Might have been something said

## X

*Testimony of Implement Dealers (cont'd.).*

I did not hear. Don't think anything was said about per cents. There might have been one of the witnesses preceding me who testified that something was said about per cents. I did not understand anybody to say anything about them. Think somebody got up and gave an idea of what this trial was for so we could understand why we came. Do not remember anything about it any more than I thought—suppose it was kind of explaining why we were here. The International holds none of my notes.

## INDIANA.

## 462 WILLIAM BAUMGARTNER:

I am in the hardware and implement business at Berne, Ind. Its annual volume is from \$28,000 to \$30,000; about \$15,000 is in farm implement and twine. Last year we did \$3,700 with the I. H. Co., a fair average, or about one-fourth of my implement business. I handle Deering binders, mowers and sulky hay rakes, handle Ohio rake and handled the Johnston mower last year. This year have only the Deering. Sell Plymouth and Deering twine.

463 Handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. We handle J. I. Case, Ohio Rake Company and Avery goods, and buy from various companies. Have handled Ohio rake about 3 years. Sold quite a lot. Had the Johnston for four years before took Deering. Sold them three years with the Deering contract. Had the Johnston 7 years. Quit this year.

The I. H. Co. did not tell me I had to quit handling the Johnston; they never said I could not handle their harvesting machinery unless I quit handling the Johnston line or the Ohio rake, or Plymouth twine, or unless I increased my purchases from the I. H. Co. in their other lines of goods. If they made that a condition to my handling their harvesting machinery, I would have to quit them I guess. That would be the only way for me. No doubt about it.



*Testimony of Implement Dealers (cont'd.).*

464

*Cross-Examination.*

There are three dealers in Berne. I handled Deering last year, one of the others the McCormick lines and as to the third, I do not think there was any other binder handled there last year. I carried the Johnston with the Deering last year. Sold no Johnston binders, year before that sold none, and the year before that none. Since I had Deering binder could not sell Johnston. I sold 9 Johnston binders the last year and the year before that 7. Since I have taken on the Deering line I sold a Johnston mower and a hay tedder. Sold one Johnston mower last year and in 1911 none. I sold 17 Deering mowers in 1912.

465 Henry Michaud and John Stauffer handled the Deering line before I took it on. They went out of business.

In 1912 I guess all the binders sold in my community were International. Could not remember any other. There must have been about 85% of the mowers, as near as I can guess and 75% of the sulky rakes that were International. A few corn binders are sold there. About 65% of the twine is International.

When I took on Deering lines there was a McCormick agent in my town, and another who handled the Champion, and the Deering agent who went out of business afterwards.

466

*Re-direct Examination.*

When I said that after I took the Deering I could not sell the Johnston, did not mean that anybody prevented me from selling Johnston, could not sell it because farmers demanded Deering, all of them, so we went out of the Johnston. It was a question of service to the farmer. When I said all of the binders sold last year were International, I meant at Berne. There are other binders sold in and around there at other towns. The Johnston is sold at Monroe this year, the first year. It is handled at Geneva where it was handled last year. Dealer who handled it there pushed it and asked the farmers to buy; he sold some. The John Deere will be on sale at Berne this year for the first time. There is now competition at Berne and new competition in the Johnston at Monroe.

X

*Testimony of Implement Dealers (cont'd.).*

467

*Re-cross Examination.*

The man who handles the Johnston at Geneva is not carrying I. H. Co. lines. It seems like he took my place in that community. I do not know whether it is right that after their experience with me selling no Johnston while I carried Deering they have given it to a man who does not have International goods.

## CARLE BETZNER:

383 Am in the hardware and implement business in Peru, Ind. Its annual volume is about \$35,000, of which \$20,000 is in implements and twine. I do about \$3,000 to \$5,000 a year with the I. H. Co., or a sixth to a fifth of my business in that line. I handle the Deering binders, mowers and sulky hay rakes.

I handle a general line of farm implements including those outside of harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. We handle the Sechler Carriage Company, Rock Island Plow Company, the Ohio Cultivator Company, the Brown-Manly Plow Company, the Oliver Chilled Plow Works, the Sandwich Manufacturing Company and the Sharples lines. We buy from various companies.

The I. H. Co. has never said that we could not handle other harvesting machinery unless we increased our purchases from it in its other lines of implements, or decreased our business with its competitors. If it should make that a condition to handling their harvesting machinery I would discontinue their line.

384 The repair and expert service by the I. H. Co. has been excellent with us.

*Cross-Examination.*

Including ourselves, there are four dealers in our town. Reed Bros. handle the McCormick harvesting machinery and the Case line. The Peoria Mercantile Company handles the Deere binder. Handled it last year for the first time. Do not think they handle the I. H. Co. binders and mowers. The fourth dealer handles the Johnston harvesting implements.

## X

*Testimony of Implement Dealers (cont'd.).*

I have been in business thirty years. I recall signing a contract with the exclusive clause in it, in the years 1902, 1903 and 1904. In the last ten years have handled a few  
 385 Walter A. Wood harvesting machines. Last sold them in 1903—handled mowers. The McCormick and the Deering are the leading lines of binders and mowers in our territory. Cannot give the per cent. of the International binders sold in my territory, the majority of them are International—the same thing is true of the mowers and sulky hay rakes. I don't suppose over 35 or 40 per cent. of the twine is I. H. Co.

## XI

## 71 V. H. BULLIERT:

Am in the general implement and buggy business at Corydon, Ind. Its annual business is from \$50,000 to \$75,000, of which about \$5,000 to \$12,000 a year is with the I. H. Co., or from one-sixth to one-tenth of my business. I handle the Deering line of binders, mowers and sulky rakes.

I handle a general line of implements made by other companies and sold in competition with like implements of the International. I handle Old Hickory wagons, Avery discs and tools; Oliver goods and the Brown & Manly Plow Company's goods.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I increased my purchases from that company. Should they impose that  
 72 as a condition to my handling their harvesting machinery I would not allow them to do it. The Johnston line is handled at Corydon and there are dealers at other places around my town with whom I come in competition. The John Deere binder is handled at Lanesville, ten miles east of us, and the Walter A. Wood and John Deere binder is handled at New Middleton, about six miles from us. Do not think the McCormick binder is handled in my town; the Milwaukee is handled there with the Johnston. In my town we have the Deering, Milwaukee, Johnston and Osborne. The Walter A. Wood is sold in one of the towns near me and the new John Deere binder in two of the towns.

## XI

*Testimony of Implement Dealers (cont'd.).**Cross-Examination.*

The John Deere binder was brought into my territory last year, I think. There has not been much sale yet. There are three dealers in my town handling machinery; one handles the Milwaukee lines and the Johnston in connection, and the third handles the Osborne. I handle the  
 73 Deering. Think the man who handles the Milwaukee handles the binder. The International have always been the leading binders in my territory. I should say 90% of them are International; possibly 80% of the mowers; 75% of the sulky hay rakes, 65% of the corn binders and 75% of the twine. Quite a good many spreaders are sold in that territory. About 50% are International. Very few tedders are sold there.

## IOWA.

## V.

356 GEORGE W. ARMFIELD:

I have been in the implement business at Redfield, Iowa, 31 years. A rough estimate of the aggregate volume of our business is \$25,000 a year. Of that \$15,000 I would say is implement business. I handle the McCor-  
 357 mick line of harvesting implements and no other. I handle goods made by competitors of the International. In wagons I carry the Moline and Stoughton. I carry the International gas engines, the DeLaval separators, the John Deere plow goods and John Deere wagon, the Deere cultivators and the Deere harrows, the Deere manure spreaders. 50 per cent. of the goods I sell are International goods. Of that 50 per cent. about \$3,500 would be harvesting machinery, the rest would be twine.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I quit doing business with competitors and selling competing goods. They have never tried to coerce me as a dealer. If they did try it, it would not go. They have never attempted to  
 358 fix prices at which I should sell their goods to the farmer. The binder certainly has improved in the last ten years. I do not know of any agricultural implement that has in-

*Testimony of Implement Dealers (cont'd.).*

creased as much in quality and as little in price in the last 12 years as the binder.

*Cross-Examination.*

There are two dealers in Redfield. The other dealer handles the Champion binder and the Champion mower and the Standard mower. I suppose the only binders sold last year in Redfield were the McCormick binders sold by me and all the Champion binders sold by my competitor. I suppose 50 per cent. of my business in 1902 was with the International. When they were first organized I bought everything they had. I did not buy wagons from them though then, nor engines, nor manure spread-  
 359 ers, nor cream separators, nor tillage tools. Since then I have taken on their manure spreader, their wagons, engines; have not taken on their cream separators; have not taken on their tillage tools. I suppose my account has grown with the International from year to year. I do not know of the International selling tillage tools up there through other dealers. They sell cream separators there through other dealers.

There have been some improvements, a little I presume in binders in the 20 years before the International was formed; there naturally would be a good many. Before the International was formed, the McCormick, Deering, Champion and Buckeye were selling around Redfield. There were a few Planos sold, there were a very few  
 360 Milwaukee sold. There is no Buckeye there now. Once in a great while I sell a Deering; no Planos; once in a while a McCormick; not very often.

I could not say that the price of binders continually decreased in the 20-year period before the International was formed. 30 years ago I paid a pretty high price for binders because it was a new thing. The price gradually dropped from over \$300 down until 1902. In the start they were a new thing, you know. There was a few years towards the last that they did not drop much. For five years before they did not make much change. For a period before 1902 they were about the same, that is my recollection of it.

I buy twine from the International. I do not know how much twine the other fellow sells, whether they buy that

## V

*Testimony of Implement Dealers (cont'd.).*

or not from the International. I think about 75 per cent. is sold by the International. In the part of the country  
 361 in which I sell binders I think the percentage of International binders would be about 95 and mowers would be about 80 per cent. and rakes about 50; manure spreaders, I should judge it to be 50 per cent. any way, wagons about 50, engines would be 75 per cent.

*Re-direct Examination.*

This other dealer at Redfield that handles the International harvesting machinery sells not only mowers of competing companies, but sells other agricultural implements that are made by competitors of the International.

## XI.

409 E. P. ARMKNECHT:

I am in the implement business at Donnellson, Iowa. Annual volume of business is from \$25,000 to \$30,000, of which about \$2,000, or less than one-twelfth is with the I. H. Co.

I handle Milwaukee binders; McCormick sulky hay rakes and McCormick and Dain mowers. I have handled the Dain three or four years.

410 I handle a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co.

We sell the Case and Janesville Plow goods; Studebaker wagons; Sharples cream separators; Case and Lean drag harrows; Case disc harrows and John Deere drills.

The I. H. Co., have never said that I could not handle their harvesting machinery unless I quit handling the Dain mower, or unless I bought more goods of the I. H. Co.

If the I. H. Co., should attempt to impose such a condition I would quit them.

I am Secretary of the Implement Dealers' Association of Iowa.

The Walter A. Wood, the Emerson and the Dain harvesting machinery are sold at Donnellson, and the Emerson and Dain mower. The Johnston is sold at West Point,  
 411

*Testimony of Implement Dealers (cont'd.).*

10 miles away, and I sold it two years ago. Sold the corn binder only, had no contract last year.

*Cross-Examination.*

I was president of the Iowa Implement & Vehicle Dealers Association two years, early in the nineteen hundreds. It is the Association of which I am now secretary.

The Dain mower has been built only five years, I was not handling it at that time. Handled the Standard mower then.

I was one of a committee of implement dealers that came to Chicago in 1904 and I represented the dealers at a meeting had with an official of the I. H. Co., of A. respecting the terms of the commission agency contracts  
412 with that company. The elimination of the exclusive clause was one of the requests made by the committee at that time. There had been a good deal of opposition on the part of the dealers and the dealers' associations to the fact that that clause was contained in the contracts in those years. That, among others, was one of the purposes for which the conference was held at Chicago.

In those years the I. H. Co., never asked me to quit handling the Standard mower, and I came to Chicago to see them about the exclusive clause relating to harvesting machinery about 1904. Had a conference with Mr. Mayer, Mr. Haskins and Mr. Legge. The language in which our request was conveyed was such goods as were manufactured by competitive concerns at that time. We wanted the privilege of going into the open market and buying them wherever we pleased.

There is one other dealer in Donnellson. He handles the Deering, Wood and Emerson harvesting lines. The I. H. Co., binders and mowers have been the leading type sold in my territory. I would say nearly all the binders  
413 sold there are International, and as to mowers I can only speak for ourselves. I sold 9 McCormicks last year and 3 Dains. Our competitor sold about the same number of machines in all. About equally divided between the Walter A. Wood and the Deering. Slightly over a half of the mowers would be International.

The Johnston company has an agency at West Point.

## XI

*Testimony of Implement Dealers (cont'd.).*

There was no corn binder business in my territory last year. Not more than half of the twine is International.

*Re-direct Examination.*

I did not come to see the I. H. Co., there was a meeting of the National Federation in Chicago, which covered a large territory in the Mississippi Valley, and we thought it was convenient here, and we felt there were concessions we would like, and we met to talk matters over, not at their request, but on our own motion. We found them cordial and they explained that they would meet us so far  
 414 as they could. This exclusive clause was in the printed form of the contract and was in every machine contract I had seen up to that time, and I had been in the business 15 or 20 years. It was the universal custom among implement dealers to have the exclusive clause in the contract, it was not respected to any great degree, that is the reason we asked for it to be eliminated. It was not enforced. We thought it had no place there, we did not want anything that could be used against us in case the other party desired to. As that time we were handling competitive goods, and in violation of the strict letter of that contract. Shortly afterwards this clause was taken out.

*Re-cross Examination.*

The Deering, McCormick, Osborne, Milwaukee, Champion, Plano, Wood, Standard and Crown mowers; Esterly and Johnston binders and mowers were sold in my territory before the I. H. Co. was organized. I think the Esterly quit business about 1901 or 1902.

The Wood has been sold near us continuously for  
 415 many years. I would not say that there was any difference between the exclusive clause of separate companies and the contracts of a merger of the 6 leading ones, which difference caused the objections of the dealers to that exclusive clause. I had the exclusive clause cancelled in my contract. For years before that I would not sign one that had it in, with the independent companies.

The I. H. Co. hold none of my notes.



## XI.

*Testimony of Implement Dealers (cont'd.).*

## 1 W. C. BERGMAN:

Am in the retail implement business at Newton, Iowa. Its annual volume in farm implements, vehicles and twine is about \$53,000, of which about 25 per cent. is with the I. H. Co.

- 2 We handle the Deering and the McCormick binders, The Emerson and the Deering mowers, and the Emerson and the McCormick sulky hay rakes. I am in the retail implement business also at Metz, Iowa. The figures I have given cover both points. I handle a general line of farm implements including those made by other companies and sold in competition with like implements of the I. H. Co. I handle the Fairbanks, Morse & Company, the Schuttler, the Moline, the Bergman, the John Deere, the DeLaval and the Deere-Mansur goods and buy of various manufacturers. Have handled the Emerson rake and mower 15 years continuously and the International lines of harvesting machinery continuously for 32 years.
- 3 Handled the McCormick and the Deering prior to the I. H. Co.

The I. H. Co. has never said I could not handle their harvesting machinery unless I quit handling the Emerson rake or mower, or increased my purchases from the I. H. Co. in its other lines of goods or unless I did less business with its competitors. If the I. H. Co. should make that a condition to my handling their harvesting machinery we would discontinue purchasing from them.

*Cross-Examination.*

- 6 The I. H. Co. holds none of my notes, and I think none of the Newton Implement Company. If they hold any they are not due. I think they may hold one, which was given last December for about \$1,400 or \$1,500, which is subject to a discount if paid on time. I am the only dealer in the harvesting line at present at Newton. It is a good binder and corn binder country.
- 7 I judge 50 to 60 per cent. of the binders sold in the territory where I do business in competition with other dealers are of International make, although there is nothing but the International sold in the town. The Johns-

## XI.

*Testimony of Implement Dealers (cont'd.).*

ton and the Acme, and various manufacturers, the Independent, are getting quite a trade in there.

As to whether I talked about percentages with any of the officers of the I. H. Co. before I went on the stand, would say, I talked with Judge McHugh a few minutes this morning. The per cent. of International binders sold in my town is 50 or 60. It might exceed that by a small percentage. I sold 20 Standard mowers last year, 14 International. The Standard has been sold there 15 or 16 years. We took it on some years after we sold the International, which we took on 32 years ago. Was handling the Standard mower at that time. The Standard mower was well established in our territory before the I. H. Co. was organized. I buy grain binders, corn binders, gasoline engines, disc harrows, hay rakes and cream separators from the I. H. Co. I buy no spreaders or wagons.

Newton is 320 miles from Chicago. Mr. Town, the Des Moines general agent, asked me to come here to testify and said my expenses would be paid.

## 400 HENRY BIERKAMP:

I am in the implement and automobile business at Durant, Iowa, of which the total annual volume of business is from \$95,000 to \$100,000, of which \$40,000 is in farm implements and twine. My average business with I. H. Co., is about \$8,000 a year.

I handle McCormick and Acme binders, mowers and sulky hay rakes; the Emerson and Deere sulky hay rakes and Emerson mowers. I am handling the Acme my second year. I have handled the Standard mower about 15 years consecutively and the McCormick line about 8 years. Before the McCormick I handled the Osborne and Milwaukee.

I handle a general line of implements other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co.

I handle the P. & O., Moline, John Deere, and the Emerson-Brantingham lines; the Newton, Davenport, Roller Bearing and Calmer wagons; the Great Western and Success manure spreaders; the U. S. and DeLaval cream separators; and the Dain and Emerson-Brantingham side-delivery rakes.

## XI

*Testimony of Implement Dealers (cont'd.).*

The I. H. Co., has never intimated that I could not handle their harvesting machinery unless I quit handling 402 the Acme, or increased my purchases of the I. H. Co. If they should make such a condition to my handling their harvesting machinery I would not contract with them. My competitor has taken the Adriance-Platt harvesting machinery agency in my town this year. The Independent harvesting line is sold about 2-1/2 miles east of us. Considerable stock in the company has been sold and they are following that up with sales of implements as fast as they can. The Acme was handled at Stockton, two miles east of my place, last year, I am not sure as to this year.

403

*Cross-Examination.*

There are two dealers handling full implement lines in my town. The other dealer carries the Deering and Adriance-Platt. I sold 11 Acme binders last year and 13 or 14 McCormicks. Sold 3 Acme mowers and 5 McCormicks last year. This is not the first year the Acme lines have been handled around there, they were handled in a nearby town. It is a matter of a man getting out and hustling.

*Re-direct Examination.*

I took the Acme and hustled and sold a lot of them, and any man who takes it and hustles can do the same.

V.

345 GEORGE C. BUCKLEY:

346 I am in the agricultural implement, furniture and undertaking business at Menlo, Iowa. The aggregate of all my business is about \$70,000, a little more than one-half, probably \$40,000 in the implement line per year. I handle McCormick binders, mowers and rakes. I do not handle other lines at the present time, but I have.

I sell goods made in competition with the I. H. Co. and they are spreaders, cream separators, gasoline engines, and disc harrows, cultivators and wagons. In the engines I handle the R. & V. made at Moline; of spreaders, I have handled Success and the Mandt and the Twentieth Century. The Twentieth Century is made by the Inter-

## V

*Testimony of Implement Dealers (cont'd.).*

national, the Mandt by the Moline Plow Company and the Success by the John Deere Plow Company, the Moline wagon made by the John Deere.

- 347 The implement line I buy from the International would probably be a little better than \$6,000 of the \$40,000; between \$6,000 and \$7,000. I never figured those out. I buy most of my twine from the International. Last year we had about 20,000 pounds; the year before we had only about 10,000 pounds; 7,000 was McCormick, 3,000 was Plymouth; it depends on the crop condition.

The I. H. Co. never intimated to me that I could not handle their harvesting machinery unless I abandoned the sales of all competing goods and they never tried to coerce me as a dealer. If they ever did try to coerce me I would not buy. I would "get my Dutch up." They never have attempted to fix the retail price at which I shall sell goods to the farmers.

- 348 Each year they add a little improvement—make some changes. There is very little change in the binder price. In other agricultural implements we have had some advances.

*Cross-Examination.*

Only one dealer at Menlo, myself. Menlo is about 550. Beside the McCormick binders, mowers and rakes we have handled some others. That is all we have in stock at the present time. I did not sell anything except McCormick harvesting implements last season, but I did the year before. I sold one Johnston corn binder, four Dain mowers, and two Thomas mowers. Last year I sold two Dain mowers that we carried over.

- 349 Practically 100 per cent. of the business in binders at Menlo is with the International. No rakes sold except the International. I sell what I have got in stock always when I can. I buy very little from the International except binders, mowers, rakes and twine. I buy some disc harrows from them, some spreaders and cream separators. Their spreaders I suppose I have sold for about as long as they have been making them, a few of them, not many. We do not make our leader of that.

I don't think there has been as much improvement in cream separators in ten years as there have been made in the binders. Our big seller is the De Laval, and they

## V

*Testimony of Implement Dealers (cont'd.).*

have made some changes, some improvements on the machines, but they have the same disc, practically the same as they had ten years ago.

I sell about 10 or 12 miles north and about 14 miles south and probably 5 miles east. It is hard to tell that exactly. Casey is six and a half miles on the west and of course we get in pretty close to them sometimes and sometimes they get pretty close to us, but in the territory  
 350 I have described I do practically all the business in the implement line. We always pay for our goods and take the discount at the first of October. Those are the terms on which they are billed.

*Re-direct Examination.*

We are about ten miles and a half from Dexter. The Independent Harvester Company agency is there and we meet that in competition in selling.

*Re-cross Examination.*

They have sold three Independent machines, I think. They carry most of them in stock. I mean by that, "they carry most of them in stock" they buy,—I think Mr. Leeper told me,—that he bought six and tried to sell them to parties who had stock in the Independent Harvester Company, and they refused to take them unless they could turn in their stock and he had been unable to sell them. He said they had been a little too heavy and a little too clumsy. That is the way Mr. Leeper put to it me. He is a particular friend of mine. It does not seem to be very much competition.

## KANSAS.

## VII

531 A. E. ACHTERBERG:

I have been in the implement business at Lincoln, Kans., for five years. Carry a general line of farm implements. My aggregate annual sales are from \$20,000 to \$30,000, of which I buy about one-third from the I. H. Co. I  
 532 handle the Deering and Acme binders, mowers and headers. The header is used mostly in our territory. I sold

## VII

*Testimony of Implement Dealers (cont'd.).*

eight Deering headers, eight Acme headers and thirteen Deering binders last year. I handle the Weber, Mitchell and Bain wagons, International manure spreaders, De-Laval cream separators, Canton and Case cultivators and listers, Waterloo Boy and International gasoline engines, Deering and Acme rakes, Canton drag harrows, Canton and Osborne disc harrows. I handle the Keystone and Kentucky grain drills. Kentucky made by the P. & O. Plow Company. I handle the Avery, Rumely and Hart-Parr traction engines, Sandwich and Keystone corn shellers, Waterloo Boy and International feed grinder.

533 I fix the retail price on all implements handled by me. The I. H. Co. or anyone representing it has never said or indicated to me that I could not continue to handle the line of Acme harvesting machinery in conjunction with the I. H. Co. harvesting machinery, and they have never told me that if I did not handle their full line of implements and ceased handling competing implements I could not handle their binder, mower and header. Should they attempt that I would tell them to take their goods out of my place of business. Would not stand for it. I have as good repair and expert service for the International binder and mower as I can ask for.

*Cross-Examination.*

Sold no Acme binders last year and thirteen Deering. In rakes, I sold two Acme and five Deering. There are two dealers in Lincoln. The other handles the McCormick. Do not think he handles International wagons. I judge about 95 per cent. of the binders sold in the territory around and in Lincoln where I sell binders in competition with other dealers have, in the last five years, 534 been of International make, about 70 per cent. of the headers, 80 to 85 per cent. of the mowers, 90 per cent. of the sulky rakes, 70 per cent. of the twine, practically all of the corn binders, and about 70 per cent. of the spreaders.

*Re-direct Examination.*

In my business I have both Acme and Deering and give the farmer his choice.

Q. So that the percentages you estimate as to the amount of sales of each make of harvesting machinery are

## VII

*Testimony of Implement Dealers (cont'd.).*

534 simply the result of the farmer doing as he pleases, as to what he will buy? (Objected to as leading and calling for a conclusion.) A. Yes, sir.

125 W. C. ALLISON:

I am in the hardware and implement business at Muscotah, Kans. The annual volume of our business is about \$45,000 a year, of which about \$22,000 to \$23,000 a year is in farm implements, including vehicles. I think about \$7,000 or \$8,000 a year of that represents business we do with the I. H. Co.; that is about one-third of our farm implement business. Our annual business in binders, mowers and sulky rakes, is about \$3,000. We handle Deering binders, sulky rakes, mowers and no others, and a general line of farm implements made and sold in competition with the goods of the I. H. Co. We handle Mitchell wagons, International and Moline manure spreaders, Deering  
126 Laval cream separators, Moline, Case and New Century cultivators, International and Olds gasoline engines, Moline and Roderick Lean drag harrows, Case and Moline planters, Monitor and Moline drills and International and Sandwich corn shellers.

The International has never intimated to me that I could not handle their harvesting machinery unless I refused to handle all or any of these competing machines or unless I curtailed purchases from competitors and increased my purchases from them. They have never attempted to coerce my action as a dealer in purchasing from them or anybody else. They could not do that if they tried. I would not handle them, that would be all. The I. H. Co. never fixed or attempted to fix the price at which I should sell at retail to the farmers the goods that I buy from them.

*Cross-Examination.*

I buy from the International binders, rakes, shellers  
127 disc harrows, spreaders and twine. The International holds some of my notes. I testified for the International in the Kansas suit. They paid my expenses in that case. Since then I think my business with them has grown some; it is about the same. We were not handling many en-

## VII

*Testimony of Implement Dealers (cont'd.).*

gines at that time. I do not remember whether we bought any engines from them. I do not think we were buying engines from them. We were handling their manure spreaders at that time. They have just one of my notes. I am the only dealer at Muscotah.

I handle only the International harvesting line. That has been true from the time I have been doing business since the International was formed. As to whether I have not been willing to handle any harvesting lines except International, will say that is all the kind we have ever had a demand for. I was never asked by the Acme people to handle their lines. I think most all of the binders sold around Muscotah in the last ten years have been  
 128 of International make, about 95 per cent.; the same per cent. of mowers and rakes. All of the twine has been International until last year. I sold some Prison twine last year. All the corn binders are International.

*Re-direct Examination.*

My note, which the International holds, was given in the ordinary course of business and is not yet due. It is no unusual obligation; it is not a renewal of an old obligation; was incurred in the ordinary way. The Acme is represented in the town on each side of me and is on the market in my territory. The men are solicited to buy. It is just a question of which implements the farmers prefer.

*Re-cross Examination.*

129 We pay 8 per cent. interest on this note. The McCormick was not sold at Muscotah before the International was formed. The Deering was sold there and around there. The Plano was not. I guess there were a few Osborne; we never handled the Osborne. There were a few Champion sold; no Milwaukee. 8 per cent. is the ordinary rate on a promissory note. This is what I get on all notes in the business; nothing unusual about it at all.

By Mr. Grosvenor:

It is the highest rate allowed in Kansas under the law.

By Mr. McHugh:

That is what all the lines charge on notes.



## VII

*Testimony of Implement Dealers (cont'd.).*

## 327 ROY R. ANDERSON:

I have been engaged in the general implement business at Garnett, Kan., for twenty years. Have been in the business personally about fifteen years. My average annual business in agricultural implements is about \$25,000, of which something like \$3,000 is in goods of the International Harvester Company.

My average business in binders, mowers, sulky rakes and twine is something like \$2,000 to \$2,200. Have not sold many binders recently. It is not much of a grain country. I sell McCormick grain binders, McCormick and the Johnson corn binders, mowers and sulky rakes; Parlin & Orendorff and Big Four sweep rakes, the latter made by the Anderson Hay Tool Company in Wisconsin.

328 I sell Beggs and Weber wagons, Empire cream separators, P. & O. plows, cultivators, listers, harrows and disc harrows and planters; Associated Manufacturers Company gasoline engines; Superior drills and Freeman & Sons ensilage cutters.

The International Harvester Company has never told me that in order to continue handling their binders, mowers and rakes I would have to discontinue handling the Johnston line, nor have they ever told me that to handle their harvesting line I would have to buy other implements from them aside from that. They have not attempted to coerce my action as a dealer as to whom I should buy from or sell to. Should they attempt to do that I would quit them. I fix the retail price at which I sell goods.

329 Have handled the McCormick about ten years, the Johnston five years. During the ten years I have handled the McCormick grain binder it has been improved a good deal.

*Cross-Examination.*

There are two dealers in the town of Garnett. The other handles the Deering in the harvester. At present the only grain binder sold at Garnett is the International. 90 or 95 per cent. of the grain binders sold around Garnett, where I do business, in the last ten years have been International. I sold six or seven Johnston grain binders

## VII

*Testimony of Implement Dealers (cont'd.).*

last year and twelve McCormick. The other dealer handles the Deering. Last year there were about 25 International grain binders sold out of the town; I sold 7 Johnston, that would be about 85 per cent. International. 330 In mowers 50 per cent. and in sulky rakes about 60 per cent. have been International and 50 per cent. of the twine.

*Re-direct Examination.*

The Acme is handled 12 miles northeast of us. I took up the Johnston line five years ago. I introduced it there and found the field open for its introduction.

## VI

548 W. A. AUSTIN:

I live at Sylvia, Kans., and am in the hardware and implement business. The aggregate volume of my business of a year is from \$40,000 to \$50,000. About one-third of that represents my business in farm implements. Of the business that I do in farm implements, \$5,000 or \$6,000 I do with the International. I sell the McCormick line of binders, headers, and mowers and the McCormick 549 and John Deere rake. Of twine I sell about half International and half Plymouth. I handle a general line of implements made by John Deere, the Kingman, Parlin & Orendorff. That includes cultivators, harrows, drills, listers, wagons, stackers, engines and cream separators. We handle the Weber and John Deere wagons, Dain and International stackers, International, Stover and John Deere engines and DeLaval cream separators.

The International has never intimated to me that I could not handle their harvesting machinery unless I quit handling the Dain rakes, or unless I refused to handle these competing implements; nor have they ever at- 550 tempted to fix the price at which I should sell their goods to the farmers.

There is very little difference in the price of the binder today as compared with ten years ago. The binder has improved a great deal in that time. I do not think I know of any staple farm implement that has been selling for ten years that has advanced in price as little and improved in quality as much as the binder.

## VI

*Testimony of Implement Dealers (cont'd.).**Cross-Examination.*

I testified in the Kansas suit on behalf of the International. I have been doing business as an implement dealer for twenty-four years. There are only two different farmers handling implements in Sylvia. We are one and the Farmers' Supply Company is another. There is another firm that handles the Acme goods, but they do not handle a full line of implements. The Farmers' Supply Company have a regular line and sell the Independent and the Standard mowers. The Independent  
 551 Company has not done much business except selling stock. The only machines that have been sold around there are the Acme, McCormick and Deering. In 1902 there were a few Champion and Plano mowers and headers sold around my territory. We sold a Johnston mower and header in 1902, the Minneapolis and the Acme. There are no Plano, Minneapolis, Champion or Johnston sold  
 552 there today. I should say 75 per cent. of the binders, 75 per cent. of the mowers, 75 per cent. of the rakes, 100 per cent. of the corn binders and 80 per cent. of the headers sold around Sylvia in the last three or four years have been International. Twenty per cent. of the headers have been Acme. At one time when they did a canvassing business with us we and the canvasser would fix the price together so we would not vary in prices. We are buying  
 553 from the International today binders, headers, corn binders, mowers, rakes, manure spreaders, wagons, engines, stackers and about half their twine. We sell other engines, though, and about as much Plymouth twine as we do of International.

We do business under the commission agency contract on the harvesting goods only. Our purchases from the International have materially increased in the last few years. I am the only man who sells International twine there.

## VII

## 375 J. G. BACHELOR:

I am in the implement business at Cuba, Kans. Have been there only a few months. Was in business at Belleville, Kansas, prior to that. Sold my business in Belle-

## VII

*Testimony of Implement Dealers (cont'd.).*

ville. The annual volume of my business in Belleville  
 376 in farm implements, vehicles and twine was about \$30,-  
 000. My entire volume of business about \$40,000. Other  
 lines were harness and hardware. I went out May 1.  
 Seven or eight thousand or a little less than a quarter  
 of my farm implement business was done with the I. H.  
 Co. I handled the Deering binders, hay rakes and sulky  
 rakes, Deering and a few Dain mowers. Sold a few Dain.  
 Carried it in stock regularly a few years. Not the last  
 year up there. I handled a general line of farm imple-  
 ments made and sold by other companies in competition  
 with like implements of the I. H. Co. Handled the Moline,  
 377 Mandt, and Bettendorf wagons, John Deere and Clover  
 Leaf (International) manure spreaders, Sharpless and  
 Dairy Maid (International) cream separators, John Deere  
 and Moline cultivators, Stover and International gasoline  
 engines, Moline and John Deere disc and drag harrows,  
 Superior, Van Brunt and a few Buckeye drills. Sold no  
 tractors. Handled the Sandwich corn sheller and the  
 Moline stalk cutters. The I. H. Co. has never intimated  
 to me that I could not handle their harvesting machinery  
 unless I increased my purchases of their other line of  
 goods or unless I decreased my purchases from their  
 competitors; nor has the company ever attempted to co-  
 erce my action as a dealer in purchasing from them or  
 from anybody else. They could not do it if they tried.  
 the company does not fix or attempt to fix the price at  
 which I shall sell at retail to the farmers the goods I  
 buy of the International. We price our own goods.

*Cross-Examination.*

There are three part of the time and four part of the  
 time, dealers at Belleville. There were three in 1912.  
 The three dealers handled the International, Acme and  
 378 I think the John Deere. Do not believe there was a sam-  
 ple machine there. Do not think any were sold. Three  
 dealers were handling International lines. We handled  
 the Deering at Belleville. One of the agents handled the  
 McCormick and the other handled the Champion, Mil-  
 waukee and some Acmes. The agent who handled the  
 Acme had the Champion and Milwaukee. I would im-  
 agine 85 or 90 per cent. of the binders sold in the territory

## VII

*Testimony of Implement Dealers (cont'd.).*

around Belleville where I have done business eight or nine years were of International make; 75 per cent. of the mowers, 60 to 75 per cent. of the sulky rakes and 50 per cent. of the twine. There are a few corn binders sold in off years—all, I think, International. There are two  
 379 dealers at Cuba. I am going to handle the McCormick there. I do not think the other dealer has a contract. Do not think he handles harvesting lines.

*Re-direct Examination.*

At Belleville one dealer handled the Champion and the other handled the Deering. The one who handled the Champion and the one who handled the McCormick also handled and sold the lines of farm implements manufactured by other companies and sold in competition with those of the I. H. Co. The Acme is sold at Belleville. There is open competition in Belleville and surrounding territory between the Acme and International companies.

The John Deere Company had an authorized agent to sell their binders. Do not know whether he sold any or could not get them from the factory. Do not think he sold any. John Deere has an agent to solicit for sale of new binders. Farmers in community are solicited to buy Acme, John Deere and International binders. Competition not stifled in community.

In mowers there are more sold of competing machines  
 380 in proportion than the binders. In rakes there are still more sold by competing companies than of binders or mowers. Competition not stifled in any of those harvesting machines.

*Re-cross Examination.*

The International holds some of my notes for the business I am now entering on at Cuba. 40 per cent. of my equipment or stock on hand at Cuba for the season 1913 is International goods.

*Re-re-direct Examination.*

This note was given in the regular course of business. It is not yet matured. I am under no obligation on that account. I am certainly telling the truth notwithstanding that note.

**KENTUCKY.**

## 62 B. P. GRIGSBY:

I have a general supply store at Bardstown, Ky., and sell hardware, implements, stoves, tin line and vehicles. Its annual volume is from \$150,000 to \$175,000, of which \$50,000 is in farm implements and twine including vehicles. I do from \$10,000 to \$12,000 a year with the I. H. Co., or one-fifth of my implement business is with the I. H. Co. Am president of two corporations, one handles the McCormick, the other the Johnston and the Wood. These two corporations are doing business in the same town and are owned by the same stockholders. They are separate stores, run under separate management. I am president of both. We sell the McCormick in one store and the Johnston and Wood in the other. We carry the Johnston binders, mowers, manure spreaders and corn harvesters.

63 We handle a general line of farm implements in both stores, including those made by other companies and sold in competition with like implements of the International. We handle the John Deere Plow Co., Avery Company and Brinly-Hardy Co. lines, and buy various implements from various companies. Those are the larger ones. Handle general lines of implements other than harvesting machinery at both stores.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I quit handling the Johnston or the Wood, or unless I increased my purchases from that company. If the I. H. Co. should put that to me as a condition to my handling their goods, if the alternative was to accept their proposition or quit them, we would quit them.

*Cross-Examination.*

64 One corporation is known as Grigsby & Co., and the other Nelson Supply Co. They are entirely different stores on different streets, and have different employes in the two stores. Grigsby & Co. handles the McCormick lines. When I spoke of the amount of our total business

*Testimony of Implement Dealers (cont'd.).*

I was referring to both companies together. Two-thirds or more of the business is of Grigsby & Co.; it is the larger of the two companies. We bought out the Nelson Supply Co. a year ago. Grigsby & Co. have been doing business since 1892. Do not recall that we ever handled the Johnston mower at the Grigsby store. As to whether there has been no occasion for the International to tell us not to handle the Johnston mower, will say, we have occasionally talked about it. Have never handled the Johnston mower.

The I. H. Co. holds none of our notes, we pay cash at the end of the season. Do not think they ever had a note of ours except perhaps one for \$75 for a corn binder that we sold last year and had to take back.

65 Grigsby & Co. has never handled the Wood machines. There has been no occasion for the International to ask our company not to handle the Wood machines.

As to whether, on direct examination, I was referring to last year only and to the other store which I bought out a year ago, will say, I was referring to the whole time we have been in business. The question as I understood it was whether they had ever asked us to.

Do not think we ever signed the exclusive clause contract in 1902, 1903 and 1904; do not think we would have signed it. Do not believe we ever signed the regular commission agency contract in those years. Did not handle any others binders and mowers except International in 1902, I think. Handled the Osborne in 1900, and up to the time the International took it over.

Mr. Barnes of the Nelson Supply Co., had the Johnston and Wood mowers when we bought them out. The company did not fail; he simply sold us that particular part of his business.

66 We sold 3 Johnston binders last year through the Nelson Supply Co., and possibly 10 McCormicks. The Deering and McCormick are the leading types of binders in my territory; also leading types of mowers. I would say 90 to 95 per cent. of the binders and mowers sold in my territory are of International make, 75 per cent. of the sulky rakes, 90 per cent. of the twine and 50 per cent. of the corn binders. Very few tedders or hay tools sold around there and about 50 per cent. of the spreaders are International make.

*Testimony of Implement Dealers (cont'd.).***MARYLAND.**

206 M. A. DOYLE:

Have been in the agricultural implement business at Westminster, Maryland, about 12 years. I handle automobiles.

The total annual volume of my business is about \$50,-  
 207 000, of which about \$40,000 is in implements, vehicles and  
 twine. My business with the I. H. Co., varies from  
 \$10,000 to \$13,000. I handle Deering binders, mowers,  
 rakes and twine. At present the McCormick, Johnston,  
 Osborne and Adriance harvester lines are handled at  
 Westminster. The Johnston people sell twine. I don't  
 know where they get it. I handle Studebaker wagons,  
 Sharples cream separators, Albright cultivators, the Al-  
 bright and Black Hawk corn planters, International and  
 Keystone drag harrows, the Superior, Ontario and Penn-  
 sylvania drills and several others.

We fix the price at which we sell International goods  
 208 to the farmer. The I. H. Co. has never attempted to fix  
 that nor has it said that I could not handle their binders  
 and mowers unless I bought this and that thing from  
 them or diminished my purchases from their competi-  
 tors. The I. H. Co. could not force me by threat or in-  
 timidation to purchase additional goods from them or  
 diminish my purchases from competitors.

*Cross-Examination.*

There are four dealers in my town. One of the others  
 carries the McCormick and Adriance, one the Johnston  
 and the other the Osborne. I suppose Deering binders  
 are leaders in my territory. The Johnston came after  
 the Deering last year. I think the McCormick this year.  
 In the last three or four years would say the Johnston  
 209 comes next to the Deering. More than one-half of the  
 business is International. I would say from 65 to 75 per  
 cent. of the binders sold in the territory are of Interna-  
 tional make. About the same per cent. of the mowers,  
 and possibly eighty per cent. of the twine. About 65 to  
 75 per cent. of the tedders are International. 60 to 75  
 per cent. of the corn planters, and taking the last 12



## XII

*Testimony of Implement Dealers (cont'd.).*

months, probably 50 per cent. of the spreaders would be International. I judge 50 per cent. are New Idea.

I was in the implement business in 1901 and 1902. As to the different types of binders and mowers sold around there before the I. H. Co. was organized, will say that it  
 210 looks to me that conditions were about the same. The same binders are sold there now that were then, except the Walter A. Wood, which was handled there then and is not now.

It is a very fine agricultural country around Westminster.

## MASSACHUSETTS.

## WALTER D. ROSS:

8 Implement dealer at Worcester, Mass., thirty-two years. Business now conducted as Ross Bros. Company. Our total annual business is about \$300,000. About \$60,000 in farm implements, vehicles and twine. Our account with the I. H. Co. is about \$11,000 a year.

We handle Adriance-Platt mowers, and Adriance and Deering binders; Deering and Adriance, and Charles G. Allen & Co.'s rakes and twine; and a general line of agricultural implements of the same kind the I. H. Co. makes.

9 The I. H. Co. has never intimated that I could not handle their harvesting machine if I handled competitive implements, or unless I bought more I. H. Co.'s goods, or ceased to buy competitive goods. If they should attempt such a thing I would refuse to handle their line.

There has been very little difference in last twelve years in the prices of the I. H. Co. binders and mowers. Previous to that they were very much higher. The prices of other implements in last ten years have been somewhat higher. The I. H. Co. harvesting machinery has improved in the last ten years. I do not know anything that has been improved more than the Deering line in the last twenty years. I fix the price at which I sell the I. H. Co. goods the same as I do any other goods. No representative of the I. H. Co. has attempted to control those prices. We handled the Deering harvesting machines before the I. H. Co. was organized. The repair  
 10 service in last ten years has greatly improved.

## XII

*Testimony of Implement Dealers (cont'd.).**Cross-Examination.*

- 11 Binders are not used much in our territory. Our country is rather rocky. I have sold not over five or eight all told in last 25 years. I sold fifty mowers last year, principally through Worcester County. About one-fourth or one-fifth were Adriance-Platt mowers. I do not sell Richardson mowers. I have been handling Adriance-Platt for five years. I do not handle any unless I consider it reliable. I might have considered it the equal of other mowers, and others might not. We take on lines there as called for. We sold 100 rakes around Worcester last year. One-tenth made by the I. H. Co.; one-tenth or one-fifteenth by Adriance-Platt and balance by Charles G. Allen & Co. The Allen rake has wooden frame. It was popular not necessarily because that is a rocky country but because it is a local manufacture. I buy gasoline engines, manure spreaders, mowers, rakes, corn shellers, grist mills, auto trucks, sections, and repairs from the I. H. Co.

**MICHIGAN.**

## XII

## 521 C. F. BACHMAN:

- Have been in the implement business at Three Oaks, Michigan, about six years. Its annual volume is about \$16,000, of which about \$5,000 is with the I. H. Co. I handle Deering and McCormick binders and mowers, Birdsell wagons, International manure spreaders, DeLaval cream separators, John Deere and Oliver cultivators, Ohio Rake Co. harrows, John Deere and Black Hawk planters, and Dowagiac drills.

I fix the retail price at which I sell. The I. H. Co. has never attempted to dictate that. The I. H. Co. has never attempted to force me to purchase more goods by the threat that if I did not do so, I could not handle their binder and mower. They could not in that way force me to purchase more goods. I have been purchasing more goods of them in recent years because we could get service from them. We are right close to the distributing factory at South Bend. Some lines of theirs we like better than we do others. Those two elements and the fact that

## XII

*Testimony of Implement Dealers (cont'd.).*

we buy what we are able to sell in our territory is what has determined our choice. We buy from whom we please.

*Cross-Examination.*

We are about 18 miles from Michigan City Prison. A lot of prison twine is sold around there. I am the only  
523 dealer who handles agricultural implements. Three dealers handle twine including myself. I handle only International binders and mowers. There are some other makes sold, the Osborne sells quite a few from other towns. As far as I know for five or six years, 100 per cent. of the binders sold in my territory have been International. Previous to that there used to be Johnston sold there. 100 per cent. of the mowers have not been International in the last four or five years; some Sears-Roebuck machines are sold there too; should think 90 per cent. of the mowers would be International, and 85 to 90 per cent. of the sulky hay-rakes. Very few corn binders are sold there. We sell no tedders and only International spreaders. I judge about 75 per cent. of the spreader business, it might be 65 per cent. is International.

The I. H. Co. holds some of my notes on spreaders.  
524 We buy them in carload lots and make settlement for them. Gave these notes last fall.

*Re-direct Examination.*

They are not yet due, they will be paid when they are. This is customary in the implement business where a man is short of money.

Some Sears-Roebuck mowers are sold there. They are shipped direct to the farmer. It might be true a good many are sold there that I do not know about.

*Re-cross Examination.*

The prison is located at Michigan City. There is one in Jackson, Michigan too. The prison twine is bought at Michigan City. I have been in the courtroom all day. As to the number of witnesses from Indiana who testified who come from the northern part, will say, cannot say.

## X

*Testimony of Implement Dealers (cont'd.).*

568 JAY BALDWIN:

Am in the wholesale hay, grain and retail farm implement business in New Haven, Mich. Its annual volume is from \$200,000 to \$250,000, of which from \$25,000 to \$30,000 is in retail farm implements. I do from \$3,000 to \$8,000 a year with the I. H. Co. I handle the Johnston and McCormick binders, sulky rakes and mowers. Handle mostly McCormick twine. Handle the Johnston corn binders.

569 I handle a general line of farm implements, including farm implements other than harvesting machinery, made by other companies and sold in competition with like implements of the International. We handle the John Deere and Sterling lines outside of harvesting machinery. We handle the New Idea manure spreaders; mostly Sterling side-delivery rakes; Johnston and McCormick disc harrows; Flint Wagon Works, Milburn and Columbus wagons mostly. Have handled portions of the Johnston line all the time, but the binders and mowers for four years. Have handled Johnston corn binders four years and have handled the McCormick during those four years.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I quit handling the Johnston line or unless I increased my purchases from that company. If the I. H. Co. should put that as a condition to my handling their goods it would be moving day for the International.

*Cross-Examination.*

570 In 1912 sold two Johnston grain binders and 12 or 14 McCormicks. Do much more with the McCormick lines than with the Johnston. There are two dealers in New Haven handling harvesting machinery. They do not carry any binders; carry manure spreaders and disc and spring tooth harrows. They do not carry any harvesting implements; only binders, mowers and rakes sold in New Haven are the ones I sell. I should judge three-quarters of them in the last 4 or 5 years have been International, about the same per cent. of mowers and corn binders. Corn binder trade is not very large there. About 75 per cent.

*Testimony of Implement Dealers (cont'd.).*

of the sulky rakes have been International, and about half the twine.

- 571 Am not sure whether the International holds my notes or not; presume they do. There may be something of the kind that I gave last fall when I made settlement that are not yet due. They generally do have some of my notes.

*Re-direct Examination.*

Other implement companies have my notes at times. That is an ordinary thing; do not think any of them are due. They are taken by all companies. I feel no sense of responsibility to the International because of those notes and under no obligation to testify to anything that is not true. We could pay them tomorrow if they want their money.

R. E. BARRON:

- 493 I am in the implement, buggies, harness and seed business in Howell, Mich. Its annual volume runs as high as \$54,000, of which around \$45,000 is in implements and twine. My average account with the I. H. Co. is around \$14,000 or \$15,000, or I should think about a third of my implement business is with the I. H. Co.

I handle the Deering binders, Keystone and Ohio side-delivery rakes, Deering mowers.

I handle a general line of farm implements other than harvesting machinery made by other companies and sold in competition with like implements of the International. We handle the Deere line, Gale, the Roderick Lean, the Ohio rake, and the Oliver. Those are the principal ones. Throughout my territory the side-delivery rake is a much more important implement than the sulky rake. We sell them in much larger proportion.

- 494 The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I increased my purchases from them in their other line of implements or unless I would decrease my business with their competitors. If the I. H. Co. should put that as a condition to my handling their harvesting machinery I would not stand for it; I would abandon their goods.

The Johnston binders are sold at Howell. Have been

X

*Testimony of Implement Dealers (cont'd.).*

sold there four or five years. Competition is very active. The Johnston is handled at Fowlerville. The Walter A. Wood line is handled at Pinckney and Fowlerville and we meet the competition of those machines from those towns. Competition between the International and these lines is very active.

*Cross-Examination.*

495 There are 3 dealers in Howell handling harvesting implements. One handles the Osborne and the other the Johnston. The leading lines of binders and mowers in my territory are the Deering, McCormick, Johnston and Wood. I have been in the implement business 20 years around Howell. The Wood binder and mower has been sold there practically all that time. There was a time when they were not in business. The Osborne has been sold about ten years and the Johnston five or six. I sold 10 or 12 Ohio side-delivery rakes and 15 Keystones. There are International agents at both places I named on direct examination where there is a Wood and a Johnston agent.

The International holds my notes for goods on hand last fall and carried over.

*Re-direct Examination.*

Those notes were given in the ordinary course of business. There was nothing unusual about that. I do not feel under any obligations on account of that note.

**MINNESOTA.**

IX

218 A. B. ANDERSON:

Am in the hardware and implement business at Osakis, Minnesota. Annual volume of business about \$24,000, of which from \$12,000 to \$14,000 is in implements, vehicles and twine. I do from \$3,000 to \$4,000 a year with the International, or about a quarter of my business. We handle McCormick, Milwaukee, Acme and Minnesota binders; McCormick, John Deere, Dain and Milwaukee rakes. We handle the Dain, McCormick and Milwaukee mowers, and the Minnesota mower and sulky hay rake, but we have not sold any of the hay rakes. I han-

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## IX

*Testimony of Implement Dealers (cont'd.).*

dle a general line of farm implements, including those other than harvesting machinery, made by other companies and sold in competition with like implements of the International. I handle the John Deere line of general implements.

The International has never intimated to me that I could not handle their harvesting machinery unless I refused to handle the Acme or Minnesota harvesting machinery, or the John Deere mower and rake. The I. H. Co. has never intimated that I could not handle their harvesting machinery unless I increased my purchases of their other lines. Should they attempt to impose such conditions on me, I would tell them to take out their goods and quit business with me. Have been in business there since 1909.

*Cross-Examination.*

- 220 The name of my firm is Anderson Bros. My competitor is Brown Bros. They handle Deering harvesting lines. We sold one Acme binder last year; two the year before. Sold 9 or 10 McCormick binders last year, and about the same number, I guess, the year before. Sold no penitentiary binders last year. Did not have our order in early enough to get any. Except for the three Acme binders I sold in the course of two years, all my sales of binders have been International. So far as I know, my competitor handles only International binders. In the three years I have been in business, 95 per cent. of the binders sold in my territory have been International, and about 85 per cent. of the mowers. I sold two Acme mowers last year; eight McCormicks and six Dains. The year before about two or three Acme mowers. All of the rakes have been International so far as I know, and all of the corn binders. I judge about 50 per cent. of the twine has been International.
- 221 Many spreaders are sold there; about 70 per cent. of them International. There are no tedders or hay presses, but some stackers are sold there.

204 D. O. ANDERSON:

Am in the implement and general merchandise business at Cambridge, Minnesota. Its total volume is

## IX

*Testimony of Implement Dealers (cont'd.).*

something over \$100,000. My business in farm implements, vehicles and twine is from \$15,000 to \$16,000, of which between \$5,000 and \$6,000 is with the I. H. Co. or about one-third of my implement business.

I handle McCormick and Stillwater binders, mowers and sulky hay rakes.

I handle a general line of farm implements, including those outside of harvesting machinery made by other companies and sold in competition with like implements of the International. I handle John Deere, Emerson and International lines.

- 205 The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I refused to handle Minnesota State Prison harvesting machinery, or increased my purchases of the I. H. Co. in their other lines. If the I. H. Co. should attempt to impose such a condition I would quit them.

Have been in the implement business 37 years. There has been a big difference in the binder, a big improvement in the last ten years. The service the I. H. Co. renders in connection with their harvesting machinery is satisfactory to us.

*Cross-Examination.*

- 206 Have handled McCormick line something like 14 or 15 years, before that mostly Walter A. Wood and Milwaukee. The Wood was clumsy, old-fashioned machine. Gave it up before I. H. Co. was organized and took on Milwaukee. There have been improvements in binders more or less ever since I have been in business. They did not start with formation of the I. H. Co.

The first binder I bought was years ago, a Walter A. Wood. I have used a wire binder. Consider it an improvement in change from wire to twine. That was a greater improvement than the I. H. Co. ever made in a binder, a great improvement in price, too, reduction I mean.

We got satisfactory service from the McCormick before I. H. Co. was organized. Had no kick, were satisfied. Don't know whether International originated idea of giving good service to dealers. We had it before the I. H. Co. As to whether it was necessary for all the manu-



## IX

*Testimony of Implement Dealers (cont'd.).*

facturers to combine into the I. H. Co. in order that the dealer might get service, will say, that of late years we have had better service than we were used to years ago, —will say that much. Am referring to a time away back years ago, pretty close to 30 or 40 years.

- 207 I am about 30 miles from Stillwater. Last year had the Stillwater first year, sold one binder, two mowers and two rakes. Could not get them before. Sold 12 McCormick binders, 20 McCormick mowers last year. Peterson & Olson handle Deering line in my town. Acme handled by Patsold. There are no other dealers in my town. The Acme was first sold there last year.

- So far as I can remember, until last year, when I took on the Minnesota and sold one binder, all the binders sold in my town have been International in the last ten years. Somewhere about 90 per cent. of the binders have been International make, about the same percentage of the mowers and sulky rakes. There have not been many corn binders sold in my territory. That is a potato country mostly. There are quite a number of spreaders sold there, about 50 per cent. International. 50 per cent. of the twine is International. In 1901 and  
208 1902 mostly Deering and McCormick and some Milwaukee, and very few Champion or Plano machines were sold in my territory. Very few tedders are sold in our country.

*Re-direct Examination.*

For a good many years there was no substantial competition with I. H. Co.'s various makes of harvesting machinery in our territory, in late years, especially last year, competition has come in; it is growing and active. The field is open for competition and lots of it if anybody wants to occupy it.

*Re-cross Examination.*

There were about 12 Acme binders sold in my town last year. I was never asked to handle the Acme.

## X

- 1 JENS ANDERSON:

I reside and am in the farm implement business at Windom, Minn., and at Mountain Lake, which is 12 miles

X

*Testimony of Implement Dealers (cont'd.).*

2 from there. My annual implement business is about \$45,000, of which about 30 per cent. is with the I. H. Co. I handle McCormick and Deering binders, mowers and sulky hay rakes.

I handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of the International. Handle the John Deere line largely and lines of various other companies.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I bought more goods of them in these other lines, or bought less goods of their competitors. If they should make that a condition to the handling of their harvesting machinery I would tell them I would handle some other binder.

3 I handled the Keystone binder in 1905. I sold 8 that year. I judge the Keystone binder a failure so far as compared with the modern binder. Compared with those on sale at that time it was a failure. Those that we did sell we had to take back the same year after the harvest. I was out on the farms where they were trying to work them. I know of the trouble that was experienced in getting them to work and they had to be substituted.

*Cross-Examination.*

4 There are two dealers at Windom. The other dealer handles the Acme. There are three dealers at Mountain Lake, one handles the Acme and the other the Minnesota binder and some Deering binders. I handled the Keystone binder just one year, when I was not handling I. H. Co. binders. Sold Keystone in summer of 1905. They were not out in 1904. I had sold one or two Keystone mowers then, I think. I sold International mowers in 1904, when I carried International lines. Did not have International line in 1905. Made my contract to handle Keystone binders in spring of that year. Had dealings with the traveling salesman of the Keystone people. I took on the Keystone lines that year because I think we had some difficulty over a note with the I. H. Co. My man at Mountain Lake signed my name to a note with the I. H. Co. I objected to it.

As to whether I was endeavoring to get a line not con-

X

*Testimony of Implement Dealers (cont'd.).*

nected with the I. H. Co. in 1905, will say, not so much that. I knew Mr. Butler who used to be general manager of McCormick, and I thought anything he handled ought to be good, that was really the reason we took the Keystone. I had no personal transactions with Mr. Butler in 1905, dealings entirely with traveling salesman. Did not know at the time I made the contract with Keystone that company was owned by the I. H. Co. I have learned so since, that is, I don't know whether they were owned at that time. When I made contract did not know that  
 5 all the stock was held by officers of the I. H. Co. I thought I was dealing with an independent company.

We sold about 30 Keystone mowers in 1905. Took on International lines in 1906, have handled them ever since. Trouble with I. H. Co. was adjusted. 8 Keystone binders were replaced, that is, all I sold were replaced in 1906. Farmers did not buy new binder. In September we got a statement from the I. H. Co. that they had come into possession of the Keystone Company and that the account I owed the Keystone people should now be paid to them. I immediately notified them we refused to pay for the binders, but that we would pay for the mowers. We had a hay loader, too. The binders were not right. Those were the only Keystone binders I ever sold. I did not know at the time I bought them the International owned the Keystone Company. The Keystone mower was a fairly good one. Did not replace any  
 6 of those.

Mr. McClure, general agent of the I. H. Co., asked me to be a witness in this case. Have talked to him about this Keystone trouble. Do not know how long he has been general agent; came there in 1906, four or five years, I guess.

*Re-direct Examination.*

There are some Acmes sold at Windom and Mountain Lake. Competition between it and the International harvesting machinery was reasonably active. Farmers solicited to buy them all.

The Deering and McCormick are leading binders in my territory. There have been quite a lot of Minnesota binders sold of late.

*Testimony of Implement Dealers (cont'd.).*

TOM ANDERSON:

Am in the hardware, lumber and machinery business at Milan, Minnesota. Its annual volume is from \$80,000 to \$100,000. I do about \$35,000 in farm implements and  
 125 twine, of which about \$17,000 is with the I. H. Co., or a little less than half of my implement business.

I handle McCormick, Acme and Milwaukee binders, sulky hay rakes and mowers, and McCormick and Plymouth twine.

I handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of I. H. Co. Handle Deere-Webber, Emerson-Brantingham, Lindsay Bros. and the Stoughton wagons, and Fuller & Johnson and International gasoline engines.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I quit handling the Acme harvesting line or Plymouth twine, or bought more machines from the I. H. Co. in its other lines. If they  
 126 should make that a condition to my handling their harvesting machinery I would quit buying from them. I buy binders, mowers, hay rakes, manure spreaders, drills, twine, engines, hay buckers, wagons and corn binders of the I. H. Co. I handle none of their tillage tools, harrows or cultivators. I do not think my International account has been half of my implement business for ten years. First, I only bought harvesting lines from them and as they manufactured other lines, have taken them on. I bought more now, lately, than I did at the start. I buy about the same now as I did three or four years ago; before that it was less.

Do not think the I. H. Co. has any of my notes, or notes of my firm. I bought a carload of spreaders in  
 127 the fall. Don't know whether they are on book account or on note; can't remember exactly. It is a fact I bought a carload of spreaders from I. H. Co. last fall. Don't know whether I gave note for them or not. I owe the I. H. Co. in part for those spreaders. It isn't due until fall. I bought a carload of Deere-Webber, but can't tell whether I. H. Co. hold notes of mine without looking over record. Couldn't swear to it. There were 12

*Testimony of Implement Dealers (cont'd.).*

spreaders; they came to about \$1,000. There is nothing else received from I. H. Co. for which I might have given notes.

There is one other dealer in Milan. Do not think they handle binders, mowers and rakes now. I have a man to sell Acme binders; he has sold from one to three every  
 128 year since we got him. Have carried Acme three or four years and McCormick ten or 12 years. Sold about 30 McCormick binders last year, and I have a man or two to attend to the Acme line. We let the farmers have their free choice. Don't know that I have any preference as to pushing the Acme or International harvesting line. It is a hard question to answer, which line we push, because you know what we got the most of we push the most, I should think. As to whether, in fact, I push the McCormick binders, would say that the binder don't need much pushing. Do not think we push the McCormick more than any other binder, because it is a good binder to sell; could not get enough of them last year. I do not think we push the Milwaukee any more than any other binder. We got a man there to sell. Do not push the Acme binder any more than any other. Have sold only about one or two Acme binders each year and 30 or more McCormick binders.

Most of the business in my territory is with the Inter-  
 129 national binders, McCormick, Deering and Milwaukee. In the last eight or ten years 90 to 95% of the corn binders sold in my territory have been International make. There have been sold a few Independent and Prison, but very few. 90 to 95% of rakes have been International, about the same per cent. of corn binders. We had the Johnston; we sold one of them. I don't exactly know whether it was sold, or whether it was some others.

*Re-direct Examination.*

I bought a carload of spreaders last fall in the ordinary course of business, and I owe for those goods. Can't remember whether I gave them a note for them or took them on open account. It is not due before next fall. That is the way I buy implements from other implement  
 130 houses. It is the general way of doing business and

## X

*Testimony of Implement Dealers (cont'd.).*

there is nothing unusual about it. I bought a carload of Deering manure spreaders on the same condition.

*Re-cross Examination.*

By condition I mean time until now. Can't remember whether I gave Deere-Webber a note. Bought these Deere-Webber spreaders last spring.

## IX

## 131 E. P. BABCOCK:

I am in the general merchandise, hardware and machinery business at Elk River, Minn. The annual volume of my business is about \$75,000, of which approximately \$8,000 to \$10,000 is in farm implements, including vehicles and twine. From \$1,000 to \$2,000 is done with the International, or about a quarter of my implement business.

I handle the Deering binders, sulky rakes and mowers. I handle a general line of farm implements outside of harvesting machinery made by other companies and sold in competition with like implements of the International. In those lines I handle the Stickney engines, Litchfield spreaders and Oliver plows and cultivators. I don't know whether the Oliver plow is a competitor of the International or not. I buy wherever I feel like it, wherever I think I can get the best goods for the least money.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I bought more goods of them in these other lines. If the I. H. Co. should say that as a condition to my handling harvesting machinery I would have to buy this, that or the other of their implements, the result would be I should do just what I did with one man that tried it—I quit. The State Prison binders have a representative at Elk River. There never have been any sold that I know of.

*Cross-Examination.*

There are two dealers at Elk River. The other handles the McCormick, and I guess he has sold some Champion. The third man is representing the Minnesota, but he has not sold any of the Penitentiary binders that I

## IX

*Testimony of Implement Dealers (cont'd.).*

133 know of. Most of the binders sold in my territory since the I. H. Co. has been organized have been of International make. I have been in business all my life. We sold binders before the International was organized. During the last ten years practically all the binders sold in my territory have been International. Most of the sulky rakes and corn binders have been International. Could not say what per cent. of the twine has been International. Farmers ship in their own twine from the prison; it has been sold through the agent who had their machinery. Quite a few spreaders are sold there; could not state the percentage. My competitor sold the International for a year or two and then switched to other lines. A few tedders are sold. I never sold any.

## MISSOURI.

## VI

## 590 EDMUND H. ADAMS:

I am in the hardware and implement business at Lamar, Missouri. The annual amount of my business is from \$35,000 to \$40,000. I do about \$10,000 of business in farm implements, in a year. About a third of that represents the goods I buy of the International. I handle the McCormick binders, rakes and mowers. That is the only harvesting machinery I handle. I handle the full line of implements made by competitors of the International; the Oliver, the Emerson, Parlin & Orendorff, Racine-Sattley, Sharples, and Roderick Lean.

591 The International has never intimated to me that I could not handle their harvesting machinery unless I quit handling these competing goods, or if I did not take on their line or some of it; nor have they ever attempted to coerce me as a dealer in my purchases; nor have they attempted to fix the price at which I should sell their goods at retail.

Binders have improved in the last twelve years. The price is about the same. The condition of the farm implement business today is very much better than it was ten years ago.

## VI

*Testimony of Implement Dealers (cont'd.).*

592

*Cross-Examination.*

There are three dealers at Lamar. I have been in business 36 years. Just prior to the formation of the International, there was sold the Plano, the Walter A. Wood, the Deering, the Osborne, the Buckeye, the Champion and the McCormick. These different manufacturers were competing for the business of the dealers. The dealers in Lamar handle practically all lines of agricultural implements. One of the other two dealers handles the Acme and Johnston, and the other the Deering. The grain binder is being sold more largely in my territory, although they are selling a great many corn binders now. I would say 60 per cent. of the grain binders, 75 per cent. of the mowers, 40 per cent. of the corn binders, and about 75 per cent. of the twine, and half of the rakes sold in the vicinity of Lamar in the last four or five years, have been International. Handling the McCormick lines is not the most important part of my business. We simply handle them to occupy us when we are not doing anything else. Hardware is our principal business. There were a great many improvements made in the McCormick binder in the first 20 years I handled it and the price dropped a lot. The price has not dropped since the International acquired it.

594

*Re-direct Examination.*

The Deering agent at our town sells a general line of farm implements that are made and sold in competition with the International goods.

## VII

118 JOHN ALLEY:

I am in the hardware, implement and harness business at Mercer, Mo. The annual amount of our business is around \$40,000, of which \$15,000 is in agricultural implements, including vehicles, of which amount \$2,000 represents what we do with the I. H. Co. a year, or a little less than one-seventh of our agricultural implement business. About \$1,700 represents the business we do in binders and mowers, hay and sulky rakes. Not all of that is with the



## VII

*Testimony of Implement Dealers (cont'd.).*

International. I handle in binders, the Deering; sulky rakes, the Deering and John Deere; mowers, the Deering and Dain, the Dain being the John Deere mower. We handle a general line of farm implements made and sold in competition with like implements of the I. H. Co. In wagons we handle the Moline and Davenport, made by the Davenport Wagon Company; John Deere manure spreaders, Simplex cream separators, which are handled through the John Deere Plow Co., John Deere cultivators, Stover gasoline engines, the Dain sweep rake made by the Dain Manufacturing Company, John Deere disk and drag harrows, mostly the John Deere line.

We have the contract for the sale of the John Deere binder. Put one of those binders on the floor of our place  
 120 this year. We offer for sale also the Deering binder, but have not one on hand; and am prepared to sell it in the season of 1913. The Deere is a new binder put out year before last. I have no Deering binder on hand, but will have, so in 1913 will have the Deering and John Deere binders on our floor.

Do not know whether we will have the Deering sulky rake or not. We will have the John Deere. Have not bought any sulky rakes. We have the Deering and John Deere mower and the Dain. The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I refused to handle the Deere rake, the Dain mower or the new John Deere binder, nor have they ever  
 121 attempted to coerce my action as a dealer in respect to purchases from them or anybody else. They could not do that if they tried. I would not handle their goods. The I. H. Co. does not fix or attempt to fix the price at which I shall sell at retail to the farmers the goods I buy of that company. I determine that. I fix the retail price. We sell at what we please.

*Cross-Examination.*

I said I did not think we would handle the Deering line this year. We have not got any yet. We may handle the Deering binder and mower. Have handled the Deering binder about 3 years; handled the Osborne before that, for about 7 years.

There are 2 dealers in Mercer. The other man handles

## VII

*Testimony of Implement Dealers (cont'd.).*

the McCormick. Am glad to get an opportunity to sell the new Deere binder. In the years I have been in business I have not seen any binder that I would want to sell outside of the International stuff. I think this is about the third year for the John Deere binder; the first year in my territory I have put it in. We were glad to get one outside of the International. I expect about 90 per cent. of the binders sold around Mercer where I sell binders have been International make in the last 8 or 9 years; the per cent. of mowers is about the same; also sulky rakes. I don't know of any other corn binder that has been sold except the International. All of the twine sold has been International, practically all of it, so far as I know. Last year some other was sold. The International was out of twine. I started in business, I think, in 1903 with the Osborne binder. As to why I took on that binder and being asked if it was advertised as not made by any trust will say, yes, it had not been sold by a trust that I know of when I took it on. It had been handled in that territory before I took it but not by a trust that I know of. I don't know whether it was advertised in the first 2 or 3 years that I had it as made by a company outside of a trust; I do not recall that.

*Re-direct Examination.*

While I had been in business there had been other binders on the market that I knew of. I knew the Johnston Harvester Company, the Acme Harvester Co., and the Walter A. Wood Company made binders. I did not care to handle them. I knew those companies were making those binders and marketing them. I did not care to handle any of them. I knew there was a Plano binder made. I thought it was handled by the International. I did not know that the Independent Harvester Company had the Plano. Within the last 6 or 7 years it started in the manufacture of binders. I was glad when the John Deere made a binder that I thought would be successful on the market and a success as a binder. I was not confident about those other binders as to their success on the market. If any other binder had been a successful one there was no reason that I knew of why a binder could not go in and

## VII

*Testimony of Implement Dealers (cont'd.).*

get a good market and be sold to the farmers if it would do the right work. (Objected to.)

There is nothing that I know of to prevent any binder of any make being sold on its merits to the farmers. I sold about 8 Dain mowers last year and 4 Deering.

*Re-cross Examination.*

I never knew of a Wood binder being sold anywhere around our territory. Do not believe I ever saw a Walter A. Wood; no, I never saw one.

## 114 W. M. ASHBROOK:

I am in the shelf, hardware, implement, buggy and grocery business at Spickard, Mo. My annual business amounts to about \$40,000, of which I should say offhand about \$10,000 represents business in farm implements, including vehicles, of which amount \$3,000 represents business I do with the I. H. Co., which is a little less than one-third of my business in farm implements. I handle Deering binders, sulky rakes and mowers. I handle regular farm implements made by competitors of the I. H. Co. and sold in competition with their goods. In wagons we handle the Weber and International and the Schuttler and the Moline; in cream separators the Sharples and  
 115 DeLaval, neither of those International; John Deere listers, Jenkins, Superior and Dain sweep rakes. Have handled some International, but not lately. In drag harrows, the Deere and Roderick Lean; in disk harrows, the Deere, principally; in planters, the Deere and Blackhawk. The I. H. Co. has at no time intimated to me that I could not handle their harvesting machinery unless I refused to handle all or any of these implements that are made by competitors of theirs, nor has the company ever attempted to coerce my action as a dealer in purchasing goods from them or anybody else; nor could they do so if they tried. If they did I would probably tell them they would have to sell it to someone else. Not very much doubt about that. The I. H. Co. does not fix or attempt to fix the price at which I shall sell at retail the goods which I buy from the International. We set our own price.

## VII

*Testimony of Implement Dealers (cont'd.).**Cross-Examination.*

The International offers to furnish us canvassers to  
 116 help sell their goods. We do not use them. There are  
 two dealers at present in Spickard. One dealer handles  
 a general farm line. He broke in this year. He handled  
 a kind of a curb line last year. This year he has a full  
 line of implements, has a full Moline line and the Adriance  
 mower, I think, in connection with it. Of the other two  
 dealers, one of them have the Adriance mower this year.  
 Don't know whether he has the binder contract or not.  
 The other has no harvesting mower at all yet. He just  
 started in. Last year there was just one dealer—myself.  
 We handled harvesting machinery. As to whether up to  
 this year we have been the only concern there handling  
 harvesting machinery, will say, no, but in the last two or  
 three years the only one. Previous to that there was an-  
 other house there that handled harvesting machinery. I  
 do not think I could answer very correctly what per cent.  
 of mowers sold around Spickard in the years I have been  
 in business have been International. To the best of my  
 judgment, it would be about 85 per cent. Am not posted  
 on that. To reach into the territory, would say the mowers  
 sold there would be probably 75 per cent. As to sulky  
 rakes, I don't know; never paid any attention much out-  
 side of what I sell myself. Very few corn binders are  
 sold there. It has been 100 per cent., all I can call to  
 117 mind now, in the last few years. Probably 50 per cent.  
 of the twine is International. Don't know what other deal-  
 ers out 12 to 15 miles from me handle in that line. Don't  
 know whether I. H. Co. makes listers. Don't know that  
 I ever heard they did. Never saw one. Don't know  
 whether they have got a lister or not. Besides the har-  
 vesting machinery, we buy from the International twine,  
 sulky rakes, a few one-hole corn shellers and binder and  
 mower repairs and Weber wagons. We do not handle  
 engines, spreaders, harrows or cultivators. Our company  
 is known as the T. W. Ballew Lumber Co. I am not right  
 sure, but think the International holds our note for prob-  
 ably \$150 or \$200 taken last fall for stuff due this coming  
 fall that was left on hand. All the stuff we handle reg-

## VII

*Testimony of Implement Dealers (cont'd.).*

ularly we pay for. We turn in no farmers' notes. They have no notes of ours for anything that is due.

*Re-direct Examination.*

· That note was given in the ordinary course of business.

*Re-cross Examination.*

118 They are for goods we have already purchased from them for stuff left over last fall and no selling season for it yet.

*Re-re-direct Examination.*

I think the Acme is represented in towns around about us, but I am not sure about that; I could not say whether it is or not. It has been sold a few years there at Spickard, but not lately.

## VIII

## A. F. AUFDERHEID:

I am in the machinery and general merchandise business at Bland, Mo. The aggregate volume of my business per year is about \$50,000 to \$75,000. In vehicles and  
95 twine including threshers it runs from \$11,000 to \$14,000 a year. The last three years my average business with the I. H. Co. has been \$7,000 or over half my business. This year I have the Deering, Acme and Plano binders; last year I had the Deering, Milwaukee and Acme. Last year I had the Milwaukee, Deering and Acme rakes and mowers. We sold two Deering sweep rakes last year and no headers or corn binders. Mowers, binders, rakes and threshers are about all I handle; don't handle cultivators, tillage tools, just harvesting machinery and wagons, in which I handle Weber, Loudenhuse and Gestring.

96 The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I refused to handle the Acme. They have never attempted to coerce my action as a dealer in purchasing goods.

*Cross-Examination.*

I have been in business since 1889. There are two regular dealers at Bland and the blacksmith carries a few

## VIII

*Testimony of Implement Dealers (cont'd.).*

implements and one grain elevator carries a few. I am one of the regular dealers and carry the Deering, Acme and Plano this year. Last year I had the Milwaukee. The other regular dealer carries the McCormick and Johnston. The blacksmith carries nothing in harvesting implements, formerly had Johnston, but gave it up. It has gone to the McCormick man. The elevator man had it last year. The fourth man handles cultivators and harrows, but has no harvesting implements.

About 90 to 95 per cent. of the binders sold around Bland in the last 10 years have been of International make; 90 per cent. of the mowers; 85 to 90 per cent. of the sulky rakes and about 85 per cent. of the twine. I know of only one corn binder sold in the last four or five years.

*Re-direct Examination.*

- 97 The Acme is handled at Belle, five miles away and at Owensville, nine miles. The Acme folks at Owensville sold 12 to 15 last year. There is very active competition.

## VII

## 286 WILLIAM BALLEW:

- I am in the lumber, hardware, harness and implement business at Malta Bend, Mo. My business last year was a fraction over \$43,000; about \$6,000 to \$8,000 represents my business in implements including vehicles and twine, approximately; with the I. H. Co. it was \$2,250, or about one-fourth of my implement business.

I handle the McCormick and Johnston grain binders and mowers, the McCormick sulky rakes and a general line of farm implements. I buy and sell those made by competitors of the I. H. Co. Do not handle wagons or buggies. I handle the Corn King (International) and Litchfield manure spreaders, the Oliver, Brown and Dempster cultivators, the Stickney, International and Dempster gasoline engines, Blackhawk and John Deere planters, and one or two other lines; the Appleton and Keystone (International) corn shellers; Avery and John Deere stalk cutters, Kansas-Moline Plow Company's feed grinders, which are not International.

## VII

*Testimony of Implement Dealers (cont'd.).*

288 The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I refused to handle the Johnston grain binder or mower, or unless I increased my purchases in other lines from them, or decreased my purchases from others. They have always tried to get me to increase my purchases, never forced me. I have found they are better to take care of the repair and expert department than anybody else. (Motion to strike out.)

The I. H. Co. has never tried to coerce my purchases as a dealer from them or any one else; do not believe I would let them; not enough in the business; not very much doubt about it, of that fact. The I. H. Co. does not fix or attempt to fix the price at which I shall retail goods I buy of the Company. They have said some times we should get a certain price for them or the same as anybody else, but they never fixed any price. It was just in respect to the profit we ought to have they have made suggestions, the same as other manufacturers do with respect to their goods. I sell at Malta Bend, Mo. My business is to sell to the farmers. I come in competition with dealers in nearby towns. The closest competition I have is at Grand Pass, Missouri, five miles away. The Independent and Acme binders, and I suppose the International are handled there. By "Independent" I mean of Plano, Ill. Those machines are vigorously pushed in my territory. They are trying to do all the business they can.

*Cross-Examination.*

There is only one implement dealer in Malta Bend, Mo. As to what per cent. of binders sold around Malta Bend where I make my sales have been International make in the last 7 or 8 years, will say there are very few of other makes sold; could not tell how many; I judge it would be safe to say 80 per cent. were International. The same is true of the mowers. There are not many corn binders sold there. Not to exceed 50 per cent. of the twine has been International.

I sold one Johnston binder last year, and I think five or six McCormicks; did not sell any Johnston mowers last year; sold six or seven McCormicks.

**MONTANA.****JOHN R. YATES:**

Am in the implement and grocery business in Billings, Montana. Its annual volume is about \$140,000 in farm implements and twine. My settlement with the I. H. Co.  
 386 last fall was about \$10,000, which is a fair average proportion. That is about one-fourteenth of my implement and twine business. I handle the McCormick, the Emerson and the Johnston binders, mowers and sulky hay rakes. Do not have corn binders in our country. Discontinued the sale of Johnston harvesting machinery this year. Do not represent them under contract any longer. Have a number of machines on hand of every description.

Our country is a land of great distance. My store covers about 50 miles each way. I handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle the Emerson-Brantingham and the Studebaker lines.

The I. H. Co. has never said to me I could not handle their harvesting machinery unless I increased my purchases from that company of its other lines of goods, or did less business with their competitors. If they should  
 387 make that a condition to my handling their harvesting machinery, I would quit trading with them.

Our country is developing very fast as a grain territory. The International, the Independent and the Acme harvesting machinery is sold in my territory. Some of the California combination machines are used and sold in our country. The Acme and the Independent Harvester Company carry a large stock of their lines in our town. Their sale is actively pushed in our territory, in which they are dealers handling various lines of farm implements. The International dealers are scattered throughout the territory which I have described as running 50 miles each way from Billings. Dealers handling the Acme are scattered throughout that territory also. Think the Independent sell their goods direct to the consumer, they do not have dealers handling them.



X

*Testimony of Implement Dealers (cont'd.).*

388

*Cross-Examination.*

Do not think we sold over four or five Johnston binders last year and fifty or sixty McCormicks. Sold five or six Johnston mowers last year and perhaps forty or fifty McCormicks; sold 100 Standard mowers. The Independent Harvester Company I refer to is the Plano, Illinois, Company. This is their second year. Do not know if they have sold any binders yet—know they are there. Know nothing as to the volume of their business. They sell mostly to their stockholders. They have sold more stock than machines, I think. Am not in competition with them in the selling of stock. I could only guess how many machines they have sold. Think it would be a small number. This is the second year the Acme has been there. I  
 389 have been selling binders and mowers six years. In that period I judge 80 per cent. of the binders sold in that territory have been the International. There have been two California combinations sold at our town. They are very expensive machines. I happened to name these on direct because I was asked concerning them. I sell Plymouth twine.

The International holds some of my notes. My company is the Marlin-Yates Company. These notes are in settlement of goods on hand, to be paid for next year. Cannot tell how large they are. Have no papers past due. They were given for machinery I bought, but have not sold.

I buy wagons, hay tools, hay stackers, buck rakes, binders, mowers, hay rakes and manure spreaders from the I. H. Co. I buy no engines or tractors.

**NEBRASKA.**

V

128 A. P. ANDERSON:

I reside at St. Paul, Nebraska; am in the produce and implement business. Have been for four years at St. Paul. The volume of my business last year was between 24 and 30 thousand dollars. The binder and mower business was \$8,000, and the rest of it was steel goods and

## V

*Testimony of Implement Dealers (cont'd.).*

threshing machine goods. This 24 to 30 thousand dollars was the implement business. Our produce business was over and beyond that, \$85,000 last year. Our harvester business was \$4,185, all binders. The mowers were \$1,300.

129 Rakes and hay tools and that would be the balance of \$8,000, and the difference between \$8,000 and the \$24,000 to \$30,000 represented sales of implements other than harvesting machines.

I handle the Acme and the McCormick binders; the Acme mower and the McCormick mower; the Acme rake and the McCormick rake. Those are all the harvesting machinery that I handle. The McCormick harvesting machinery I buy from the International Company, and the Acme binders, mowers and rakes I buy from the Acme, which is a competing company. The implements that we handle that are made by competitors of the International Company are the Oliver cultivators and plows, the Rock Island listers, Rock Island truck wagons, Empire cream separators exclusively, and we handle the Nebraska Moline buggies and spring wagons. We did handle a few of the Rock Island wagons. We handle the Weber wagon of the International. We handle the Great Western manure spreader. We have handled the Kemp and the Clover Leaf of the International. Including twine the proportion of our aggregate sales of 24 to 30 thousand dollars, about half represents goods that we buy from the I. H. Co.

No one representing the I. H. Co. has ever intimated in any way to me that I could not handle the International Harvester lines unless I quit handling the Acme Harvesting lines. No one representing the I. H. Co. ever intimated that I could not handle the International Harvester lines unless I abandoned these competing goods. There has never, to my knowledge, been any attempt to coerce me in anywise in my purchases from competitors. They have tried to sell just as much as they could, any of them do that, just in the ordinary way of selling goods, one like the other. If there was an attempt to coerce my purchases or an attempt to say to me that I could not handle International goods unless I handled their line exclusively and abandoned all other goods we would have to

*Testimony of Implement Dealers (cont'd.).*

quit doing business with the International. They have no power to coerce me. I buy from my own standpoint and conserve my own interests, just as I buy any other article that I handle.

The condition of the farm implement business today as compared with what it was when I went into business four years ago, has not changed to speak of. In the last four years it has run along just about the same in the harvesting and hay tool lines, as far as my knowledge goes.

*Cross-Examination.*

At present there are two dealers in St. Paul, Nebraska. The other dealer handles the John Deere line of harvesting implements and the Dain mower, and the John Deere  
 132 binder. They are just getting them in. They have not sold any. He sold a Deering binder also this last season. Last year was the first year I sold McCormick binders. Before that I sold the Acme exclusively for two years. The third year I sold both and the last year I sold the McCormick with the Acme. I sold most of the McCormick. The first year I sold 14 Acmes and no McCormicks. The second year I sold nine Acmes and the third year I sold four Acmes and twenty-three McCormicks. I don't know how  
 133 many Deering machines were sold in the same years. The first year, 1910, I sold eight Acme mowers. The second year I sold five and the third year I sold three. Last year we sold 19 McCormicks. I have not kept track of the number of rakes. We were pretty near even, about as many Acmes as McCormicks for the last year. Of the hay tools we sold nothing but the Acme last year. We have not sold any McCormick hay tools. Half of our total business is with the International. To enumerate all the articles that we buy from the International: we buy the harvester, mower, rakes, wagons, spreaders, disc harrows and hand corn shellers. We handle their engines; no cream separators.

## VII

462 F. A. AUSTIN:

I am in the grain and implement business at Hendley, Nebraska. Its annual volume is about \$50,000 of which

## VII

*Testimony of Implement Dealers (cont'd.).*

about \$6,000 is in farm machinery, including twine and implements. I do about \$3,000 a year with the I. H. Co. or half of my implement business. I handle Deering and McCormick binders, mowers and rakes, and a general line of implements including those made by other companies and sold in competition with like implements of the International. I handle the Studebaker wagon, Clover Leaf (International) manure spreaders, International and Empire cream separators, International and Waterloo gasoline engines, Dain and McCormick sweep rakes, Canton and International drag and disc harrows.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I increased my purchases of that company in these other lines. The Company has never attempted to coerce my action as a dealer in purchasing from them or anybody else. They could not do that if they attempted it. The company does not fix the retail price at which I sell their goods.

*Cross-Examination.*

I am the only dealer in Hendley now. It is a place of about 250 or 300. Since 1905, 90 to 95 per cent. of the binders sold in the territory where I do business around Hendley have been of International make, about 85 to 90 per cent. of the mowers and sulky rakes, headers 90 per cent., corn binders 95 per cent., twine 50 per cent., and manure spreaders about 70 per cent.

*Re-direct Examination.*

I am the only dealer in Hendley. My sales cover the country round about and I come in competition with other towns maybe 10 or 15 miles away. The Acme is sold at some of these towns that come in competition with me, and that is the harvesting machinery that competes in that territory with the International, also the Johnston and Deere. The Johnston Harvester Company sells binders there. I know they sell corn binders; am not positive about the grain. 5 to 10 per cent of corn binders sold are made by other companies, 10 to 15 per cent. of the mowers are sold by competitors of the International and the Johnston Company and Acme have about 10 per cent.

## VII

*Testimony of Implement Dealers (cont'd.).*

of the header business. The business done by the competing companies is larger in proportion now, I think, than it was when I went into business.

*Re-cross Examination.*

At these towns I have referred to as near me, there are International dealers.

## V

## 533 EDWARD A. AYRES:

I have been in the implement business at Fairbury, Neb., 14 years. My total annual sales are about \$60,000. My total annual sales of implements \$50,000. I buy binders, mowers, rakes, sweep rakes, stackers, corn shellers, balers, engines, disc harrows, peg tooth harrows from the International. I handle Deering and Milwaukee binders,  
534 the Deering and the Emerson mowers. Other than the International make, I buy Moline, Rock Island, Canton and Pattee implements. About 12 or 15 per cent. of my total sales represent binders and mowers. About 20 to 25 per cent. of my total implement sales I buy from the International.

I fix the retail prices on all implements I handle. The International never indicated to me that if I did not cease handling goods sold by their competitors I could not have their binders and mowers. They have never tried in any way to coerce the conduct of my business. If they did so attempt to coerce me, I would handle the other goods.

I have noticed improvements in the binders and mowers in the past ten years. We set up our binders right there at the house and send them out; we don't go to see one in ten of them; they are adjusted so well that you don't have to. We used to have one or two experts go out and look after binders, but now days we set them up and they  
535 go out in the field and the farmer runs them without any trouble. The farmer gets more for his money now in the implement trade than he did ten years ago. There is not very much difference in the prices of binders and mowers now as compared with ten years ago; not over \$7.50 or \$10, I think, in the last ten years.

I don't know as I know of any farm implement that has

## V

*Testimony of Implement Dealers (cont'd.).*

improved so much and remained the same price as the self-binder has in the past ten years.

*Cross-Examination.*

There were very few twine binders out the year I was in business. I was selling wire binders at that time. The twine binder was not a great improvement over the old wire binder. There never was as many bundles went through the mouth of the threshing machine, bound, as went with the wire binder. As far as the machine was concerned, the wire binder was better than the twine binder. I would like to go back to the old wire binder to-day.

There are two dealers at Fairbury. The other dealer  
536 handles International and John Deere. He sold five John Deere binders last year. I sold 40 Deering binders. I think my competitor sold 20 or 25 McCormick binders. In the last few years about 95 per cent. of the binders sold in the territory in which I do business have been International binders and I suppose about 85 per cent.—no, about 75 per cent. of the mowers have been International, and I suppose 75 per cent. of the twine has been International, and about 75 per cent. of the rakes have been International.

I have been asked to carry the Acme line and I declined. There is no Acme agent in our town. There is right adjoining us, at Jensen, seven miles.

There are two dealers there. They handle I. H. Co. and Acme harvesting lines. The Acme man handles International also.

I pay the I. H. Co. cash every year at settlement time and each year sign a commission agency contract with  
537 them. Signed it in 1902, 1903 and 1904. Do not remember clause in it which provided that dealer should not handle any other person's binders, mowers and rakes.

I handled the Emerson mower every year. I sold eight Emerson mowers last year and forty Deering mowers. Year before that sold about the same number of Emerson and fifty or more Deering mowers. Harvesting implements are not most important line I carry in my store. I sell more plows. I do not think the amount of business

## V.

*Testimony of Implement Dealers (cont'd.).*

in dollars and cents in plows is as much as in harvesting machinery. There is not much difference.

*Re-direct Examination.*

As to the relative percentage of binders and mowers of those other than International that are sold there will say I come pretty near knowing what is done in the county but do not know what the percentage is definitely.

## 271 HENRY BEERLINE:

I have been in the farm implement business at Papillion, Neb., since 1902. The aggregate volume of our business is \$15,000 or \$18,000. We handle Deering and McCormick binders and rakes, Deering, McCormick and Dain mowers. The Dain mower is a competing mower of the International, so far as I know. It is made by the Dain Mfg. Co., and handled by the John Deere Plow Company.

272 I handle goods that compete with the International. My biggest line is John Deere Plow Company and I handle some P. O. I skip around to various other outfits. I believe a little over one-third of our business would represent sales of the International goods. The International Company has not intimated to me that I could not handle their harvesting goods unless I refused to handle the Dain mower. The International has not intimated to me that unless I refused to deal with and handle goods of their competitors, I could not handle their harvesting lines. There never has been any attempt on the part of the International to coerce my action. If they did, I do not think I would stand for it. The International has never at any time attempted to fix the retail price at which I should sell goods, to the farmers, that I buy from them. I fix that myself.

*Cross-Examination.*

273 There is one dealer in our town besides myself. He does not consider it worth while monkeying with harvesting machinery. I do all the binder business; he handles the Emerson mower. It is just an average territory for binders, I should think. I sell the Dain mowers and also the Deering and McCormick. I did not sell over two

V.

*Testimony of Implement Dealers (cont'd.).*

or three Dain mowers last year. I sell ten and twelve Deering and McCormick mowers. The biggest part of the binder business in our vicinity is done by the International. I cannot say what per cent. The business of mowers is pretty well divided. Every mower on earth is sold there in my country, but not so in binders. The Acme has quite a little business south of me. I consider the binder a part of my business, the same as I would a  
 274 wagon or a plow or a cultivator. Besides binders, mowers and rakes, I buy engines, wagons, harrows, disc harrows and spreaders from the International. I guess 1902 was about the time the International was formed. I have signed the commission agency contract with them every year. I do not recall that the contracts I signed in 1903 and 1904 contained a clause prohibiting the agent from handling any harvesting machinery, binders, mowers, and rakes, except those he was taking from the International. I buy twine from the International. I should judge about half of the twine sold in our territory is manufactured by the International.

## 524 WILLIAM BELCHER:

I have been in the implement business since 1884 and at York, Nebraska since 1897. My annual sales of implements average from fifteen to twenty thousand dollars. I handle the Deering binder and mower, and twine and some Osborne disc harrows.

I handle the Rock Island, Janesville, the Monmouth, Studebaker and Hercules goods, and what we call the Old  
 525 Hickory. About 25 per cent. of my total sales are International goods.

The John Deere binders and mowers are handled in our town and the Acme has been, and the Johnston.

I certainly fix the retail price on all goods I handle. The International Company never dictated to me. The I. H. Co., never said to me that if I did not handle lines other than binders and mowers that I could not handle their binders and mowers. If they tried to influence or control the management of my business I would not buy from them. I would go into the market and buy other goods.



*Testimony of Implement Dealers (cont'd.).*

The Deering binder is a great deal cheaper today than it was when the Deering people sold it. They have tried to improve the binder and mowers and have improved them wonderfully and they give a great deal better satisfaction to the farmer and the trade is a great deal better  
 526 satisfied. The reel is a particular improvement. It is a concern that reaches out from the bar five or six or seven feet. At first it had nothing to support it. Now it has a support that holds it more rigid, and now if you are out in the harvester field and there comes up a shower and you want to get away without taking off your canvasses and springs it won't hurt the canvass if it does get wet. And a great many other improvements that I don't know that I could mention.

The expert assistance needed or asked for by the farmer is not 75 per cent. of the amount now as compared with ten years ago.

*Cross-Examination.*

There are three dealers in York, besides myself. The Deering is handled, the McCormick is handled, the Johnston is handled and the Acme (I am not certain about this year now) and the John Deere harvesting implements.

527 In the last few years, fifty per cent. more binders and mowers of the International were sold than of the others. This last year there were not that many sold by the International people. John Deere came into the trade last year and cut a large figure. He sold about 33 as I hear it.

I am paying for a 6-ft. binder today \$102.50 with 7 per cent. off for cash. Twelve years before the International was formed I paid \$123.00 for a 6-ft. Deering harvester. In 1889 I paid \$120.00. I cannot state what the price was in 1902.

528 I do not know as a matter of fact that I was paying less than \$102.00 for a binder in 1902, unless I bought some binders which had been damaged. I remember buying some Osbornes that went through the flood down here and I bought them at a very low price.

529 I think there were some improvements in the machines before 1902. I never used the old wire binder. There

## V

*Testimony of Implement Dealers (cont'd.).*

was a good deal of improvement in the twine binder before 1902.

## NEW YORK.

## XI.

## 516 CHARLES E. BANFIELD:

I am in the farm implement, carriage, wagon and harness business at Olean, New York. Have been in that business over ten years. Its annual volume is about \$25,-  
517 000, of which \$18,000 to \$20,000 is in implements, vehicles and twine. I average \$6,000 or \$7,000 in goods I buy of the I. H. Co., of which about \$2,000, possibly \$2,200 is in binders and mowers and rakes.

I handle Deering, McCormick, Milwaukee, Walter A. Wood and John Deere binders and mowers and reapers. Do not think I ever sold any Deere binders. Have sold Deere mowers, rakes and horse dump rakes. Sell Deering, Adriance or Plymouth and Wood twine. I handle Lansing, Stoughton, Birdsell and Weber wagons; Success and New Idea manure spreaders, also Deere and Corn King; Sharples and Dairy Maid cream separators; John Deere, Planet,—Allen & Co., and Deering cultivators; Deere, Wood and Deering rakes; and harrows; International and American Seeding Machine Company's corn planters; Superior, Farmer's Favorite and Empire  
518 drills; The Empire is handled by I. H. Co., the Farmer's Favorite by American Seeding Machine Company. I sell no corn shellers. Handle International grinders or ensilage cutters, and the Appleton.

The I. H. Co., have never attempted to coerce me into buying more of its goods and less of its competitors while I have been handling their lines. If they should make such an attempt we would have to discontinue buying from the I. H. Co. We would buy the other lines.

We fix the retail price at which we sell our goods. The I. H. Co. has never tried to control our selling prices.

Have been in business ten years. Do not know much about the prices on binders and mowers before then. I think three or four years ago prices of binders and  
519 mowers were, possibly, higher, possibly 10 per cent. At present time they are the same as eight or ten years ago.

## XI

*Testimony of Implement Dealers (cont'd.).*

The prices of other farm implements have advanced some. Do not think steel goods have advanced as much as wagons. I presume wagons have advanced 15 per cent. and steel goods 5 per cent.

*Cross-Examination.*

Do not buy very many International wagons. My business with the International is from \$6,000 to \$7,000 a year. About one-third of my implement business. In the territory we work, close to Olean, it is not a good farming section until you get out several miles.

There are several other agents.

The leading types of binders and mowers in my territory are Deering, McCormick and Johnston.

520 Never stopped to think of the question until now, but I would say 60 to 65 per cent. of the binders sold in my territory are International. The Johnston has three agents within five or six miles of us. The binders are made at Batavia, New York, eighty-five or ninety miles from there.

## XII.

## 191 FRANK BLOOMINGDALE:

Am in the implement, vehicle, hay, straw and grain business at Voorheesville, New York. The business would run from \$50,000 to \$60,000 a year, of which about \$5,000 is in farm implements, twine and vehicles. The annual volume of my business with the I. H. Co. is from \$1,700 to \$1,800.

I handle McCormick binders, mowers and sulky hay rakes.

192 Handle a line of farm implements other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle Sharples Cream Separators; Childs & Co. cultivators; New Way gasoline engines; International and Childs' harrows, and Superior drills.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I did more business with that company, or unless I did less business with their

## XII

*Testimony of Implement Dealers (cont'd.).*

competitors. If they should impose such a condition, I would positively refuse to handle their goods.

The Johnston, Walter A. Wood and Adriance-Platt harvesting lines are sold at my town and in the territory around there, where I meet them in competition.

*Cross-Examination.*

192 A dealer named Crounse handles the Johnston in my town. There are three or four dealers in the vicinity I think; there is one in town. I am in the village.

The only harvesting lines I handle in my town are International. As to whether I said on direct that the Johnston, Wood and Adriance-Platt were all handled there would say that they are in the suburbs around the edge of the village. The village is not large. The Johnston agent is a mile away. There are other International agents at Altamont, eight miles away.

I sell one or two binders a season. There is not much binder business there. Sell possibly two or three mowers a year.

The principal crops are hay, rye, oats and corn.

As to whether the principal things sold by the Johnston, Wood and Adriance-Platt dealers in my vicinity are implements other than harvesting machinery would say I never have paid any attention to that; mostly mowers, reapers and binders.

**NORTH DAKOTA.**

## X.

## 37 PAUL ALLEN:

Am in the hardware and farm machinery business at Jamestown, N. D. Its annual average is about \$100,000, of which about \$50,000 is in implements and twine. We pay the I. H. Co. from \$10,000 to \$15,000 a year for machines, repairs and twine. We handle the McCormick binders, mowers and sulky hay rakes. We handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. We

## X

*Testimony of Implement Dealers (cont'd.).*

38 handle the John Deere line principally, and buy more or less various implements from other companies.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I increased my purchases from that company of the other lines that they handle, or decrease my purchases from their competitors. If they would make that a condition to my handling their harvesting machinery I think we would give up the line.

The Acme and the Independent lines of harvesting machinery are sold at Jamestown. The farmers are solicited to buy those. The competition is active between the Acme and the Independent and the International harvesting machines.

*Cross-Examination.*

Our firm is Kirk & Allen. We have been in business about 30 years. Have handled the McCormick lines 25 years. The McCormick lines and the repairs have become an important part of our business. There was not a large sale of any machines that are not now owned by the International around Jamestown in 1901. The McCormick, the Deering, and the Plano were the principal machines sold there. There were some Champions. Some years they would come out strong, other years hardly any. The Wood was sold around there quite largely at one time, further back. There are only two dealers in my town who carry full lines, two or three others dabble more or less. We have new competitors this year. Their predecessors carried the Deering, and I suppose these people will continue it. The Acme has been sold there several years, cannot say exactly how long. The Independent Harvester Company line was sold there first last year. The leading brands are Deering and McCormick.

I should think about 75 per cent. of the binders sold in the territory where I do business are International; about the same per cent. of mowers; 90 or 95 per cent. corn binders; 75 to 80 per cent. of the rakes. Some years there has been a very large sale of Penitentiary twine.

40 I should judge last year not over 40 per cent. of the twine sold in our territory was International. Last year was

X

*Testimony of Implement Dealers (cont'd.).*

not a big year in International twine. It was less than usual.

IX.

407 R. L. BENNETT:

I am in the farm implement business at Inkster, N. D. My average annual business is about \$30,000, of which about one-third is with the I. H. Co. I handle Deering  
408 binders, mowers, sulky hay rakes and twine.

I handle a general line of farm implements including those made by other companies and sold in competition with like implements of the I. H. Co. I handle P. & O., Minnesota Moline and Lindsay Bros. lines.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I bought more goods of that company in these other lines. Should the I. H. Co. adopt such policy, we would not do any more business at all with them. We would do business with somebody else.

The I. H. Co. does not fix, or attempt to fix, the retail price at which I sell their goods to the farmer. I do not handle any other harvesting machinery than International at present. Have handled the Acme, about six or  
409 seven years ago, handled it for four years. Handled Acme from about 1903 to 1906. Handled the Deering at the same time.

*Cross-Examination.*

There is one other harvesting implement dealer at Inkster. He handles the McCormick. There has been no Acme agency there since I quit. There have been machines sold in that territory from adjoining towns. Deering and McCormick have been the leading types of binders in my vicinity in the last seven or eight years. There are no Milwaukee, Plano, Champion or Osborn sold there at the present time.

Probably 90 per cent. of the binders sold in my territory in the last six years have been International, 90 per cent. of the mowers, 95 per cent. of the rakes, and 90 per cent. of the corn binders. About 40 per cent. of the  
410 twine today is International. Quite a good deal Peniten-

## IX

*Testimony of Implement Dealers (cont'd.).*

tiary and Plymouth twine also handled there. Many spreaders are sold there, of which 40 per cent. are International. There are no tedders, hay presses or shredders sold.

*Re-direct Examination.*

The Acme machines are handled in town nearby and the machines are sold in my territory. Also, the Johnston harvesting machinery, that is canvassed. There is active competition between the Deering, McCormick, Acme and Johnston in my territory and the farmer is offered his choice. The field is open to all.

## X.

## 9 ROLLEF BERGE:

I am in the farm implement, harness and automobile business at Courtenay, North Dakota. Its average annual volume is between \$15,000 and \$20,000, of which about 10 75 per cent. is in implements. Half of my implement business is with the I. H. Co. I handle McCormick binders, mowers and sulky rakes, McCormick and Plymouth twine.

I handle a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle Fuller & Johnson gasoline engines, Avery and Rumely tractors, Lindsay Bros. and Great Northern Implement Company lines, and buy of various people.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I quit handling Plymouth twine, or increased my purchases from the I. H. Co. in their other lines, and if they should make such a condition to my handling their harvesting machinery, I would tell them they would have to keep their lines.

Acme harvesting machinery is handled at Courtenay. The I. H. Co. does not fix the retail price of my goods.

## 11

*Cross-Examination.*

I have handled the McCormick harvesting lines in Courtenay about 16 years. When I started doing busi-

## X

*Testimony of Implement Dealers (cont'd.).*

ness I think my account with the I. H. Co. was about half the business. I buy other things from the I. H. Co. than harvesting machinery and twine. I buy manure spreaders, disc harrows, gasoline engines and separators. The International holds some of my notes. They have a note of about \$1,500 at 8 per cent. There are three dealers in my town. One of these other dealers handles the Deering lines.

12

*Re-direct Examination.*

This note that they hold is not due. It is for goods bought on next fall's time. The interest does not run unless note is not paid when due. My boy has been running my branch at Kensal, North Dakota. Last fall when our settlement was made the I. H. Co. carried us for that amount. My son settled, and wrote me, and I asked him to write the I. H. Co. to carry it, what the result was I could not say.

*Re-cross Examination.*

I did not buy more from the International last year than I could sell and settle with them by a note. After the fall settlement I bought some goods from them, before we had paid up. Bought some binders that were on hand in our shop.

## IX.

## 513 CHRISTIAN BERTSCH:

Am in the implement business at Bismark, N. D. Annual volume of business about \$50,000, of which about \$15,000 is with the I. H. Co., or less than a third. I handle the Deering binders, mowers and sulky hay rakes.

I handle a general line of farm implements, including those other than harvesting machinery, made by other companies and sold in competition with like implements of the I. H. Co. I handle the Moline, Nichols & Shepard, Racine-Sattley, Avery, and several other lines.

514

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I bought more goods of their other lines, or decreased my business with their competitors. If they should make that a



## IX

*Testimony of Implement Dealers (cont'd.).*

condition to my handling their harvesting machinery, I would discontinue doing business with them.

The I. H. Co. does not fix the price at which I sell their goods at retail.

The binder has been greatly improved in the last ten years. The repair and expert service of the I. H. Co. is better than it used to be. There has been improvement in the machines. They have put in malleable iron instead of castings, and roller bearings in the place of plain.

*Cross-Examination.*

I handle the Deering lines; have handled them eight years. Have been in the implement business about twelve years.

## 525 GEORGE H. BINGENHEIMER:

I am in the lumber, farm machinery and grain business at Mandan, N. D., and my average business in the three places I have is about \$270,000. I have a branch at Sweet Briar, and another at Judson. I handle agricultural implements at all three places. The annual volume of my agricultural implement business at the three places is between \$50,000 and \$60,000, of which 30 per cent. is done with the I. H. Co. I handle the McCormick binder at Mandan and Sweet Briar, and the Deering at Judson. I handle the McCormick and Dain sulky hay rakes at all three places. I handle the McCormick, Deering, Dain and Thomas mowers. The Thomas we have handled only at Mandan. Have our stock there and ship to the other places.

526 I handle a general line of farm implements, including those other than farm machinery, made by other companies and sold in competition with like implements of the I. H. Co. I handle the John Deere, Minnesota Moline Plow Company, Grand DeTour and Kingman lines. I buy implements from various companies.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I quit handling the Dain mower and rake or the Thomas mower, or bought more goods of them in these other lines. Should they attempt to impose that condition on my

## IX.

*Testimony of Implement Dealers (cont'd.).*

handling their harvesting machinery, I would get some other line. I said I was in business, but it is the Bingenheimer Mercantile Company. I am not alone; am one of the firm owners. The Acme harvesting line is handled at Mandan by the Mandan Mercantile Company.

527 It is actively pushed, and the competition is strong. The farmers are solicited to buy.

*Cross-Examination.*

Another dealer in Mandan is the Haight Lumber & Machinery Company. They handle the Deering Harvesting line. There was the City Lumber Company, but they sold out lately. The business in binders and mowers in our territory is about equally divided between the Deering, McCormick and Acme. Their line is very strong there. I buy mowers, binders, twine, cream separators, tractors, and a few small engines, repairs and harrows of the I. H. Co. Buy no spreaders. We buy hay rakes, but no tillage tools. The I. H. Co. holds no notes of my company.

528

*Re-direct Examination.*

The Mandan Mercantile Company handles the Acme there, and at some twenty odd places.

## OHIO.

## XII.

C. L. BABB:

Am in the hardware, agricultural implements, buggies, harness, etc., business at Xenia, Ohio, and I am also in the banking business. I have been engaged in the implement business there 28 years. Its total annual volume is about \$50,000, or which about \$24,000 is in farm implement, vehicles and twine. \$7,000 or \$8,000 of that is in I. H. Co. goods. I do from \$3,000 to \$4,000 a year in binders, mowers and rakes. Have sold the Deering line since 1893.

43

There has been a slight advance—6 or 7 per cent.—during the last 15 or 16 years in binders and mowers. I think there is no other general line of farm implements

## XII

*Testimony of Implement Dealers (cont'd.).*

that has advanced less than that, in that time. Most of them have advanced more than that.

We fix the retail prices on these International goods, the same as any other goods we sell, and we control what we shall buy or not. We are just as free to buy or to refuse to buy International goods as we are any other goods. The I. H. Co. could not control or coerce me in respect to those matters at all, and never has tried to do so.

44 I handle the International, Studebaker and Milburn wagons, the Cleveland cream separators, the Oliver Chilled Plow Company plow and the Long & Alstatter Company plow. Handle the International gas engines, and some other makes, the Long & Alstatter disc harrows, the International disc harrows, the Brown Manufacturing Company peg-tooth harrows. I think the service we received from the International in the last ten years, compared with any other service I have ever received from anybody, in the matter of repairs, is equally as good, do not know as it is any better. We have always had very satisfactory service in the way of repairs, and so forth.

I know of nothing in the way in which the International has handled its business in respect to repairs and machines, and so forth, with which I am familiar, that has been to the detriment of the dealer or the farmer.

*Cross-Examination.*

45 There are three implement dealers in Xenia. The Greene County Hardware Company handles the McCormick lines. Racer & Glossinger handle the Osborne lines, so that each of the three dealers in my city handles one of the International harvesting lines. The International lines—Deering and McCormick and the Osborne—are the leading ones in my territory. I would think 90 per cent. at least of the binders sold in my territory are of International make, which includes not only Deering and McCormick and Osborne, but also the Milwaukee, the Plano, and the Champion. From 75 to 80 per cent. of the mowers in my territory are of International make, almost all of the corn binders, or 90 per cent., about 50 to 60 per cent. of the twine, 50 per cent. of the sulky rakes, about

## XII

*Testimony of Implement Dealers (cont'd.).*

50 per cent. of the tedders, 60 to 65 per cent. of the tedders.

I buy binder twine and gasoline engines from the International. The International does about half of the business in engines in my territory. I do not buy any tillage tools from the International. Before the International was organized I bought the Deering lines, and got good repair service and expert service from the Deering in those years.

46

*Re-direct Examination.*

I think the I. H. Co. has had more to do with developing the business in the sale of manure spreaders than **any other concern**, which is a decided benefit to the farmer, and incidentally a benefit to the dealer, and a detriment to no one that I know of.

47

The I. H. Co. have had a good deal to do with introducing the gasoline engines, which has been a decidedly good thing for the farmers, also incidentally to the dealer. It developed a sale for a line of goods that would not otherwise have been sold, or at least so many by the dealers—giving them a business; it has increased their business, and at the same time has increased the business of the International competitors in those two lines—in the exploiting of the business. The merits of the goods and the service had all to do with business done in my territory in International goods. There have been a few Johnston harvester machines sold at Cedarville, about 9 miles from Xenia. I think they have been offered at Jamestown, too, about 10 miles from Xenia. There is also an agency near New Jasper, about six miles.

X

467 D. J. BAKER:

I am in the farm implement business at Montpelier, Ohio. Our firm is Reasoner & Baker. I am a member of the firm. Its annual volume is from \$28,000 to \$30,000, of which from 20 to 25 per cent. is with the I. H. Co. We handle the Deering binders and mowers. In sulky rakes have no trade. Have only sold one in last 3 years, all side-deliveries and hay loaders. Handle Keystone and

468

*Testimony of Implement Dealers (cont'd.).*

Osborne side delivery, and John Deere, Thomas, Ohio and Emerson-Brantingham hay loaders. Handle International and Peoria Cordage twine.

Handle a general line of farm implements including those made by other companies and sold in competition with like implements of the I. H. Co. We handle Bucher & Gibbs, Ohio Rake Company, D. M. Sechler and Black Hawk planter lines and buy from various companies.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I quit handling this competing twine, or increased my purchases from the I. H. Co. or unless I did less business with their competitors. If the I. H. Co. should impose that as a condition to my handling their harvesting machinery, as to what the result would be, will say, we carry in stock a line of repairs owned by the I. H. Co., and we would very politely but firmly tell them to take their stuff and go. That would apply to all their business under those conditions.

469

*Cross-Examination.*

Mr. Reasoner has been there ten years; I have been with him only two and a half, which is my entire experience in implement business at Montpelier.

I have been in the employ of the I. H. Co. Worked for Deering Harvester Company when combine was effected. Began working for Deering in January, 1896. After combine was one year on Deering Division and one year with I. H. Co., made contract for third year and worked until February 25th and resigned. Bought hardware store and quit road. Lived at St. Joe, Indiana, when was working for company. Started as canvasser and finished as blockman. Handled very few implements when I bought hardware store. Sometimes a man would want something and I would get it for him. Had no contract with any company. Had a line of hardware and furniture and did an undertaking business. At Montpelier there have been, 470 in my time, ourselves and one other, who has a regular store. One fellow goes out and takes orders; his name is Logan. Rainy is the regular dealer, he has the Walter A. Wood line. He has taken on Deering this year, I understand.

Sold 8,000 lbs. of Peoria twine last year, and about 12,-

## X

*Testimony of Implement Dealers (cont'd.).*

000 International. The International has one note given last fall. Do not know as I can tell you just now what it is for. It was in settlement of goods bought from I. H. Co. last year which we were unable to dispose of. It related to spreaders. It was in the contract that if we did not sell them they were to carry them, holding our note as security. No other implement company holds notes of ours.

471

*Re-direct Examination.*

That note was given in the ordinary course of business, pursuant to written contract. There is nothing unusual about it.

## XI.

## 500 HARVEY BROBST:

Am in the hardware and implement business at Find-  
 501 lay, Ohio. Have been connected with the firm of Brobst & Eckhardt since 1901; for three years have been a partner. The average annual business is between \$60,000 and \$70,000, of which from \$45,000 to \$50,000 is in agricultural implements, vehicles and twine. About \$20,000 of that is in goods manufactured by the I. H. Co. The firm has handled the International makes of machines in binders and mowers since 1898; during that time the McCormick binders and mowers. During the last three or four years the Adriance-Platt have had an agency there. The Johnston, Walter A. Wood and Farmers Co-operative Co. have sold machines there, but they have no agency there now. It was the Manufacturers line made by the Whiteley people at Springfield. We handle Turnbull and Weber wagons; Coin King and Success manure spreaders; Bluebell and Sharples cream separators;  
 502 Deere, Ohio, and Brown rakes; Ohio, Bucher & Gibbs and John Deere harrows; John Deere, Bucher & Gibbs, and McCormick discs; Dain and International side delivery rakes; Cushman and International engines; John Deere and Hoosier corn planters, and Hoosier drills.

The I. H. Co. has never endeavored to coerce our purchases from it or from any of its competitors in any way. We have bought according to our needs from the I. H. Co. precisely as from other manufacturers. We fix the

*Testimony of Implement Dealers (cont'd.).*

price at which we sell International implements. Have had prices suggested by the I. H. Co. and other companies, but we got at our interests in that regard. If the price suggested did not suit us, we sold at our own price. If it suited us and was what we thought was a reasonable profit and was satisfactory, we used the suggested price. We followed our own judgment. No attempt has ever been made to control or coerce us as to the price at which we sell any of these harvesting machines.

503 If the I. H. Co. had threatened to coerce us concerning the amount of goods of their lines or lines of competitors that we should buy, we would have changed our line of goods as soon as we could to a line that would not. The International, or the one that forced us to put in their goods, would have gone out. The Oliver Plow Company tried that with us one year, and we changed plows for them.

Binders and mowers have been quite materially improved within the last ten years. I know of no other farm implement that has been in use generally for the last twenty years that has been improved more than the International binders in the last ten years, and as to whether there is any such farm implement that has increased less in price than the I. H. Co's binders and mowers in the last ten years, will say that most implements have increased more than binders and mowers.

*Cross-Examination.*

Very nearly one-half of our implement business is with the I. H. Co. They hold notes of my company.

504 We buy from the International, binders, mowers, corn-binders, side delivery rakes, gasoline engines, disc harrows, peg-tooth harrows, spring tooth harrows, twine, spreaders, wagons, cream separators and drills.

There are six dealers in Findlay, Ohio. One of the other agents handles the Deering lines, another the Champion, of which there has been no contract until this year. The Milwaukee is handled there but the Osborne is not, at present. Four dealers handle International harvesting machinery. The fifth dealer handles McCormick and the other handles no harvesting machinery at present at all. The dealer who handled the Osborne does not handle

## XI

*Testimony of Implement Dealers (cont'd.).*

binders and mowers so that leaves four dealers who have International contracts. The International binders and mowers are the leading ones in that territory. I judge  
 506 80 to 85 per cent. of the binders sold there are International and practically the same per cent. of the mowers; possibly 75 per cent. of the corn binders would be International. I do not know as to sulky hay rakes or side deliveries. Quite a few side deliveries are sold and very few sulkies. The International sells half the twine. I sell tedders. Probably one-half of them sold are International. One-half of the spreaders probably are International.

*Re-direct Examination.*

The notes of mine which the I. H. Co. now hold are not due. They were given in the regular course of business, some for goods not sold at the time of settlement and part for spreaders we settled for. The price of the carload was to be divided into payments.  
 506 The Adriance-Platt have an agency in my town and has sold some binders and mowers and the Wood people have sold some and the Farmers Co-operative concern have sold quite a few. The Johnston also have sold a few, but not many.

## OKLAHOMA.

## VI

## 474 WILLIAM AACHTE:

I am in the hardware and implement business at Cordell, Oklahoma. The total volume of my business yearly varies from \$50,000 to \$75,000 and of that amount I should judge about half represents business in agricultural implements. The business that we do with the International varies some, but the average would be about \$10,000 a year. We sell the McCormick binders, and McCormick  
 475 and Emerson mowers and rakes. We have handled the Emerson rake and mower about nine years. We handle other implements made by other companies; disc harrows, we handle the Moline and some Avery besides the International. At present I have got the Moline spreader, the DeLaval cream separator, the Superior drill, and the



## VI

*Testimony of Implement Dealers (cont'd.).*

Moline, Oliver and Avery cultivators. The International has never intimated to me that I could not handle their harvesting machinery unless I quit handling the Emerson rake and mower, or unless I quit handling these implements made by the other companies; nor have they ever  
 476 tried to coerce me as a dealer in my purchases; nor have they ever tried to fix the retail price at which I should sell their goods to the farmers.

*Cross-Examination.*

There are three dealers in Cordell at present handling lines of agricultural implements; one of the others handles the Deering binder, and I don't know what contract the other one has this year. Cordell has about 2,500 population.

I should judge about 90 per cent. of the grain binders, 70 per cent. of the mowers, rakes and 100 per cent. of the corn binders sold in my territory the last five or six years have been International. I buy some tillage goods and also gasoline engines from the International. I handle  
 477 the DeLaval cream separator and the Old Hickory and Weber wagons. I would say about 70 per cent. of the twine sold in that territory is International. I do business with the International on these harvesting lines under the commission agency contract.

478

*Re-direct Examination.*

The other dealer at my town who handles the Deering lines sells lines of implements that are made by competitors of the International. The third dealer also does this. It is a fact that the business of dealers overlap each other, that is, we canvass in the territory about round our town and the dealers in other towns canvass round their territories and we meet the competition from other towns. The Acme is handled at Cloud Chief, and that dealer in selling his Acme canvasses the country here about my town. The Independent binder was also sold there last year and was canvassed round about my territory.

479

*Re-cross Examination.*

This Acme dealer who enters into my territory is ten miles southeast. He is the only dealer in that town. I

## VI

*Testimony of Implement Dealers (cont'd.).*

have considered that competition in giving percentages which I gave you as to the amount of business done. The canvassers of the International helped me sometimes in making sales.

*Re-re-direct Examination.*

The proportion of business that the International has for binders in that territory is the result of the choice of the farmers as to what ones they buy after they have been offered the International, the Acme and the Independent harvester line.

*Re-re-cross Examination.*

In 1902 I think the McCormick and Deering were sold at Cordell.

## JAMES BROWN:

I live at Edmond, Okla. I am a hardware dealer and sell farm implements. The last three years my business  
 358 would not run over \$8,000 or \$10,000 a year. About \$3,500 of that was in agricultural implements. About \$1,000 of the \$3,500 I bought from the International Harvester Co. I sold McCormick binders, mowers and rakes and Dain rakes; that is, the rake of the John Deere Co. I handle agricultural implements made by other companies in competition with the International, the John Deere, the P. & O. and the Kingman. I handle most of the John Deere, but I have some of the other lines.

I handle cultivators, harrows, wagons, planters, listers and gasoline engines of the John Deere line, and drills  
 359 of the Kingman line. The cream separators,—I disremember the name now.

The I. H. Co. never brought the matter up that I could not handle other harvesting machinery, unless I quit handling the Dain rake. They never brought the matter up that I could not handle their harvesting machinery, unless I quit handling all these other competing goods of other manufacturers. If they should say to me that I could not handle their goods, unless I quit handling goods of competitors, I would under no circumstances yield to their demand.

## VI

*Testimony of Implement Dealers (cont'd.).*

The I. H. Co. at no time tried to fix the retail price at which I should sell their goods to the farmers.

*Cross-Examination.*

About 25 per cent. of my business in agricultural implements last year was with the International.

There are two dealers at Edmond. The other dealer  
360 handles the Deering binder and mower.

For the last two years there have been only about three binders sold in the town and those were International binders. I believe there have been two corn binders sold for the last two years; they were International. I sell International twine.

We are in a grain country, but we have had in the last three years very little grain down there.

361

*Re-direct Examination.*

My competitor who sells the Deering binders and mowers, sells cultivators, spreaders and various implements made by competitors of the International.

428 E. J. COWEN:

I live at Frederick, Okla., and am in the hardware and implement business. The total annual aggregate of my business ranges from \$35,000 to \$50,000. From \$15,000 to \$18,000 of that is farm implement business. We have never handled any International stuff except twine until last year. Then we handled about half a car of Deering corn binders which aggregated in the neighborhood of \$3,500. During the last five years we have handled the Acme all the time and handle it still. We also handle the  
429 Acme rakes and mowers. Last year we took on the Deering corn binder. We have been getting our share of the business for the Acme. Last year we sold 37 Acme binders and 15 or 18 Acme mowers. We will handle the Deering mower and binder this year and the Acme harvesting machinery.

We take on the Deering implements with the others in the ordinary course of business. It was not intimated to me that I could not take on the Deering harvesting machinery unless I bought some other implements of the

## VI

*Testimony of Implement Dealers (cont'd.).*

International. There was no obligation to buy anything other than what I have mentioned. We have handled International twine for three or four years. Last year we bought a straight carload, 36,000 pounds.

430

*Cross-Examination.*

There are three hardware and implement dealers at Frederick handling all lines of agricultural implements. One of the others quit handling binders last year, but handled the Deere and Dain mowers and rakes. Previously to 1912 they had handled the Deering. The other dealer handled the Deering last year also. Use of the Deering has been taken from the man who had the McCormick line and has been given to me. I could not tell you what I am paying for the Deering 6-ft. binder without looking up the contract. It is a regular commission contract, similar to the Acme. There was not a lower  
 431 rate than the regular rate given me on these Deering binders and mowers in order to induce me to handle them. I think the price is printed in the contract. It is in the Acme and I think it is in the Deering. I could not state definitely. There was nothing said in regard to making any special price. I asked them what the price of the binder was and they told me. I don't know whether they  
 432 made me a special price or not. I could not say what the price of the Deering binder is. I have been handling the Acme five years. The Acme 7-ft. binder with tongue and transport trucks run \$118. My contract for a Deering covers the 6 and 7-ft. I do not know whether the price that I paid for the 7-ft. Deering binder is more or less than I am paying for the Acme 7-ft. There is not much difference one way or the other. We sell them at the same price.

Mr. Grosvenor: I will ask the witness to procure that contract and present it here.

The Witness: Frederick is 300 miles from here. I have not brought my contract with me. I am under the Oklahoma City General Agency. I am going back in the morning and will be glad to mail the contract to Mr. Taylor.

433 There are quite a few corn binders sold around Frederick. I handle the Deering corn binders. The other

*Testimony of Implement Dealers (cont'd.).*

agent handles the McCormick. Practically all the corn binders sold there are the International. Once in a while a header is sold. We sold three in 1911.

*Re-direct Examination.*

The dealer who handles the McCormick line sells a line of general implements made by competitors of the International. All of the implements sold around our town are not sold from our town; there are other points about there that sell stuff.

469 T. T. EASON:

I am in the hardware and implement business at Marlow, Okla. The annual volume of my business is \$50,000 to \$65,000. About \$27,000 or \$28,000 of that represents farm implement business. A little more than \$5,000 a year represents the business I do with the International.

470 I handle the McCormick binders and rakes and the McCormick and Dain lines of mowers. I handle machines that are made and sold in competition with the International. I handle the John Deere and Oliver cultivators, Moline, Studebaker and Mitchell wagons, DeLaval cream separators, Superior drills, John Deere and Fuller & Johnston gasoline engines and some International gasoline engines.

The International has never intimated to me that I could not handle their harvesting machinery if I did not refuse to handle the Dain mower, or unless I refused to handle these competing machines; nor have they ever attempted to coerce me as a dealer in any way; nor have  
471 they attempted to fix the price at which I should retail, to the farmers the goods I buy from them.

*Cross-Examination.*

There are two regular dealers at Marlow. The other dealer handles the Deering. I believe this is his third year. The Acme is not handled there and I have never been asked to handle it. We sell a few grain binders and quite a few corn binders. The corn binders are all International. One hundred per cent. of the grain binders sold in that vicinity are International so far as I know,

## VI

*Testimony of Implement Dealers (cont'd.).*

472 and rakes are International, and about 85 per cent. of the twine is International. The Plymouth twine is handled there by one hardware man who does not handle implements. I handle the International engines, but not any wagons, spreaders or cream separators. I think the International get 60 per cent. of the engine business.

The International is selling more lines now than it did twelve years ago. They do all the business in harvesting machinery, mowers and rakes, but not in tillage implements.

473 I do business under the commission agency contract. This contract covers mowers and binders, I should say, and not rakes. In 1902 the McCormick, the Deering, the Plano and the Minnie were sold there. The Minnie and the Plano are not sold there today. Harvesting implements are not a very important line in our territory. We do not have very much small grain. We sell quite a few corn binders.

*Re-direct Examination.*

We raise quite a bit of Kaffir corn. The Johnston corn binder is not considered a success with Kaffir corn. The McCormick is considered the best Kaffir corn binder in  
474 my section of the country. The dealer who handles the Deering at Marlow handles a general line of implements made and sold by competitors of the International. I have seen the International, the John Deere Co., the Moline Plow Co., and the Emerson grow and spread and take on new lines in the last twelve years; they have all done it.

794 GEORGE J. GENSMAN:

I am in the hardware and implement business at Enid, Okla. I also do business at Billings, Salt Fork, Hunter, Marshall and Goltry, Okla. The total volume of my business last year was \$172,000. About \$80,000 of that was business in agricultural implements, including wagons and vehicles, and about half of the \$80,000 represents the business I did with the International. We sell McCormick, Deering and John Deere binders, McCormick and Dain sulky rakes and McCormick, Dain and Standard

## VI

*Testimony of Implement Dealers (cont'd.).*

mowers. We handle a full line of agricultural implements made by other manufacturers—Emerson, Brantingham, Oliver, John Deere, LaCrosse, Mitchell and Old Hickory wagons, Stover, Deere, Monitor and Starite gasoline engines and DeLaval and Sharples cream separators. We also handle International gasoline engines and cream separators.

- 795 The International has not intimated to me at any time that I could not handle their harvesting machinery unless I refused to handle these other binders and mowers, or unless I extended my line with them and cut down my line with the other companies; nor have they ever tried to coerce my action as a dealer in purchasing from them; it would do them no good if they tried that. They have never attempted to fix the price at which I should sell their goods to the farmers.

*Cross-Examination.*

- I have been in business fifteen years. I began to branch out to these other towns a little over a year ago. A little over half of my business is at Enid. When we started  
796 in business, I bought all of my plow goods from one factory. We have a larger account with the International than with any other one company. We buy from them binders, mowers, rakes, sweep rakes, gasoline engines, manure spreaders, twine, repairs, disk and peg tooth harrows, wagons, separators, cultivators, hay balers, hay presses, hay stackers and headers.

- 797 There are three dealers at Enid now, carrying full lines of agricultural implements. One of the other two dealers carries the Independent line and the other the Acme. There are three dealers at Billings, two of them regular dealers. One of them handles the Deering and Acme. Hunter has two regular dealers, one handles the McCormick and the other the Deering. There are two regular implement dealers at Marshall. They handle the McCormick and the Deering. One of the two is myself. At  
798 Goltry there are three regular dealers. They carry the Deering, the McCormick and the Acme. We did not carry the Acme at any of our stores in 1912, but we sold several at Salt Fork. The only harvesting machinery that we carry in any of our stores so far as binders are con-

## VI

*Testimony of Implement Dealers (cont'd.).*

cerned is International and John Deere. We sold three John Deere binders last year—what I understand was the limit that we could sell. In all our stores last year we sold between 70 and 80 International binders and about 30 mowers. We also sold 7 or 8 Dain and two or three Standard mowers. The reason we sell more International binders than we do of the others is caused as a rule by the fact that the farmers call for those makes. I do not think we try to sell the International lines harder than we try to sell the others, comparatively speaking. We sold a few International cream separators last year and seven or eight International wagons. Seventy-five per cent. of the grain binders, all of the corn binders, 70 per cent. of the rakes and mowers, 60 per cent. of the twine and all of the headers sold in our territory in the last two seasons have been International.

*Re-direct Examination.*

In the various towns where there are men handling the McCormick and Deering lines, they handle lines of tillage tools and implements made by other companies. There are some men in these towns that I do not call regular dealers, but they sell harvesting machinery. These men handle the Acme and Independent. These fellows generally operate without any expense and they do not care for profits and they quite often do a great deal of business. We had three John Deere binders and sold them, and that was all we could get. It was a new binder and an experiment. It was my understanding that they did not manufacture enough to give anybody all he wanted to sell.

## OREGON.

## XI

293 J. A. FREEMAN:

Am in the implement business under the firm name of J. A. Freeman & Son, at Portland, Oregon. Are jobbers of farm implements and twine and cover the States of Oregon, Washington and northern portion of Idaho. Sell farm implements to the retail dealers throughout that



## XI

*Testimony of Implement Dealers (cont'd.).*

294 territory. Handle the Milwaukee binders, mowers and rakes, and the Plymouth twine. Have handled the Milwaukee lines in that territory about 15 years. Am handling it precisely to-day the same as we did 12 years ago. Have handled it say for 15 years.

The McCormick and Deering harvesting lines are sold throughout that territory, also the Osborne, Adriance, Buckeye and John Deere harvesting lines and the Thomas mower and rake. The Walter A. Wood has been sold up until last fall, through a jobber. Last year was the first year for the John Deere binders. They did not make many sales last year. As to this year, I understand they are pushing the sale very hard.

295 The combination harvester which cuts and binds the grain at the same time, is used considerably in certain portions throughout my territory. It is made in California, and in Idaho, at Moscow. Another make of combination harvester is made at Spokane. Those implements are sold and used generally in certain sections of my territory. I job the Plymouth twine throughout that section. Have an extensive sale in it. All our sales are to retail implement dealers. About 40 per cent. of the Plymouth twine we sell to dealers being those who handle I. H. Co. harvesting machinery. We job wagons of the Milburn manufacture and the Imperial drills. Do not job a full line of tillage goods.

296 We stand as good a show in the field of competition in that territory for the sale of Plymouth twine as the International does. It is free open competition. The same is true with respect to wagons and drill lines. I started in as a salesman for an implement house in 1878. Have been in the implement business for myself for about 15 years. Throughout that period have been in business at Portland selling to retail implement dealers altogether. Am pretty well acquainted with most of them and their methods of business and conditions under which business is done in that section.

Being asked as to the effect on the business of the I. H. Co. if it should say to dealers in that section that they could not handle their harvesting machinery unless they handled it exclusively, or took on their long line of implements and handled that exclusively, will say my

## XI

*Testimony of Implement Dealers (cont'd.).*

judgment would be that a large proportion of them would tell them to look somewhere else for agents, or sell their goods themselves. I mean the dealers would refuse to  
 297 do business with the I. H. Co. on that basis.

*Cross-Examination.*

I am the local jobber at Portland for Milwaukee binders sold by the I. H. Co. in the states of Oregon, Washington, and northern Idaho. The McCormick has a branch house in Portland. A general agency has been there 10 or 12 years. It sells the Deering, also the Osborne.

In the course of a season I sell from 125 to 150 Milwaukee binders, and possibly a couple hundred Milwaukee mowers. My sales in binders and mowers do not aggregate more than the figures stated in the states named. Binders are used more extensively in the middle west than they are on the coast. We raise wheat, oats and barley in the states I have named.

The Adriance Buckeye machine has been sold out there  
 298 by R. M. Wade & Co. for 10 or 12 years. I do not think they sell as many as the Milwaukee does.

Being asked what company other than the John Deere, since the I. H. Co. was organized, has entered the sale of binders and mowers in the territory I cover, will say Walter A. Wood has come in since the I. H. Co. was formed. They had been selling for the last 8 or 10 years; are not selling now. They did not enter that territory prior to the organization of I. H. Co., not to my recollection. That company has been in business a great many years. They did not do a large binder and mower business on the Pacific Coast. Cannot name any other company entering into the manufacture and sale of binders and mowers on Pacific Coast since I. H. Co. was organized.

I judge perhaps 150 or 200 of these combination harvesters are used in certain portions of the territory I have named. We are not the only jobbers located at Portland, Ore., who handle I. H. Co. goods. Mitchell, Lewis & Staver Co. handles Champion binders, and the Polson Implement Co. carries a few I. H. Co. goods.

299 Combination harvester I have named is used only in

## XI

*Testimony of Implement Dealers (cont'd.).*

what you might call the arid districts. They cannot use it in the foothills. It is used where it very dry and the farm is a large one.

## PENNSYLVANIA.

## XII

## 292 F. W. ANDREWS:

I am in the farm implement business at Irwin, Pa. Its annual volume is from \$7,000 to \$8,000, of which about \$3,000 is with the I. H. Co. I handle the McCormick binders, mowers and sulky hay rakes. I handle a general line of farm implements; the Conklin wagon; the Buckeye and the Hensch & Dromgold cultivators; some International and some Parry & Parker harrows; Hensch & Dromgold corn planters; and the Superior and Farmers' Favorite drills. The Buckeye cultivator is sold by the American Seeding Machine Company—that is where I get it. The I. H. Co. has never said that I could not handle their harvesting machines unless I bought more goods from the company or did less business with their competitors. If they should make this a condition of doing business in their harvesting machinery line, we would quit doing business with them. I am the only dealer at Irwin. The Adriance-Platt and Johnston lines are sold in the territory. The Deering line is sold there, too. They all compete in the territory round about there for the farmers' business. They are all offered to the farmers who buy what they prefer after they are all offered.

*Cross-Examination.*

I have carried the McCormick lines since 1891. The McCormick and Deering are the leading types of binders and mowers in our territory. I would say that 70 per cent. as near as I can tell of the binders would be International and about the same per cent. of mowers and sulky hay rakes, and I think about 50 per cent. of the twine. I have handled International tedders.

Not 50 per cent. of the tedders sold are International. I suppose about 50 per cent. of the spreader is I. H. Co.

*Testimony of Implement Dealers (cont'd.).*

## 118 FRANCIS BAKER:

I have been engaged in the implement hardware and fertilizer business at Everett, Pa., about 9 years. The annual volume of my business is about \$20,000, of which from \$8,000 to \$10,000 is in farm implements, wagons and twine. If I left out buggies, it would probably cut that down \$1,000. I do from \$4,000 to \$6,000 per year in International goods.

I handle McCormick and Johnston binders. I have sold the McCormick ever since I have been in business and the Johnston mower about 5 years and the Johnston binder 3 years. The Deering and Osborne lines of binders and mowers have been sold in my town. A few Champions are sold in my district, and there have been a few scattering Planos. The Wood has been sold in my town. The Adriance-Platt have an agent in the rural district about 10 miles away who offers it. I handle the Johnston and McCormick lines in rakes and harrows. In other lines of goods I handle implements similar to those of the International, not made by the International. I handle Oliver and Imperial plows.

I fix my own prices and decide for myself what I will buy. I regulate all my own business. The I. H. Co. has never tried to control my action in either respect, and I think it could not do it if it tried.

.. 120

*Cross-Examination.*

At present there are two dealers in Everett. For the last 10 years there have been three. One dealer handled the Deering harvesting implements, exclusively, and one handled the Walter A. Wood until last year. To-day the other two dealers handle the Deering and Osborne right in the town. One man is going out of business and another starting up. I do not know just what the third man does, but we speak of two dealers at the present time, including myself and I handle the McCormick and the other handles the Deering. A. M. McClure handles the Osborne line and he is the man going out of business.

I think the McCormick, Deering and Osborne the leading types of binders sold in my territory. I sold 10

## XII

*Testimony of Implement Dealers (cont'd.).*

- McCormicks and probably 7 Johnstons last year. That was the first year for the Johnston that I sold that many.
- 121 I never sold but one or two previous to that. I think 75 to 80 per cent. would represent the binder business that has been International in the last 5 years. I sold last year about 20 McCormick mowers and 8 Johnstons. Very few corn binders are sold around there. I sell about one-half Johnston and one-half McCormick tedders. Previous to last year 75 per cent. of the tedder business was International. There are other dealers selling tedders. So far as I know they sold International tedders last year; that would make at least two-thirds of the tedders International for last year.

The International holds none of my notes.

*Re-direct Examination.*

- My business in Johnston binders and mowers has been
- 122 growing in my neighborhood. There was no distinction made whatever in trying to sell a Johnston or a McCormick binder or mower excepting as happened to strike the wishes of the farmer. H. F. Gump is the competitor that I think possibly sold International tedders. I would not be positive that he does. He handles the Deering line as far as I know.

## 126 SAMUEL BOOK:

- My firm name is S. Book & Bros. Have been engaged in the agricultural implement business at Quarryville, Pa., for 20 years this spring. My annual business is from \$50,000 to \$60,000, of which one-half is in farm implements, wagons, and twine. I do from \$5,000 to \$6,000 with the I. H. Co. I handle McCormick binders
- 127 and mowers. We sell McCormick twine and Fitler twine. We have a Johnston agent about one and one-half miles from our town. The Walter A. Wood agent is about 4 miles out. The Standard mower is sold there by the Johnston agent. I sell a general line of farm implements, including those made by manufacturers other than the I. H. Co., and sold in competition with International goods.

The I. C. Co. has never attempted to coerce my pur-

## XII

*Testimony of Implement Dealers (cont'd.).*

chases either of competitive goods or for their goods in any way. If they attempted it they would get turned down.

I fix the price at which we sell International goods. That is true of all goods we handle. There has been a very  
 128 trifling change in the price of binders and mowers that I have handled there in the last 10 or 15 years. It might be a trifle higher. Other implements have advanced slightly all around. Wagons have advanced more than anything else. Binders and mowers have been about at the present price, to my knowledge for about 12 or 14 years. There have been improvements in the binders and mowers I have handled in the last ten years. They have been very much lightened; everything is more simple. I learn from the farmers that they do better work. The call for repairs and expert help is very much less now as compared with prior to 1902. I know of no farm tool or machine which has been in general use for the last 15 years that has been improved more in the last ten years than the binder that I have been handling. As to whether anything else, that has been in use for 10 years, been improved more than the binder, I would say I do not know what it would be. There is no implement that has advanced less in price in the last ten years.

129

*Cross-Examination.*

I am the only dealer in the town. We have a dealer about a mile and a half out of town. There are 900 people in Quarryville. The McCormick and Deering binders are the leading ones in my territory. About 75 per cent. of the binders sold in my territory are of International make, and possibly 65 per cent. of the mowers, about 50 per cent. of the sulky rakes and possibly 60 per cent. of the tedders. Very few corn binders are sold there. Have been in business 20 years. There are always improvements on the machines, but I think not as much as in the last few years.

I could not say whether the I. H. Co. invented the idea of making improvements in farm machinery. There have been more or less improvements on all makes of agricultural implements since I have been in business. They have not always been improvements. The I. H. Co. hold none of my notes.

*Testimony of Implement Dealers (cont'd.).*

## SOUTH CAROLINA.

## XII

## 372 GEORGE F. EPPERSON:

Am in the farm machinery line and coal business at Sumter, S. C. Have been in business 28 years. Its total volume the last two or three years was about \$40,000 to \$50,000, of which from \$25,000 to \$30,000 was in implements, farm machinery, vehicles and twine. Of that about \$5,000 to \$8,000 is with the I. H. Co. It has run \$15,000—\$8,000 is about the average.

I handle the McCormick binders, mowers and sulky rakes, the S. L. Allen & Co., and Keystone cultivators, 373 Bucher & Gibbs, Avery and McCormick disc and spike-tooth harrows and Acme harrows. I handle the Avery and Cole planters, International and Gray gas engines, Buckeye drills made by the American Seeding Machine Co., and Hocking Valley shellers. I fix the prices of what I sell.

The I. H. Co. has never attempted to dictate price at which I sell to the farmer. Price depends on the circumstances. If I am selling a man a large bill of goods and can make it larger by cutting the price on anything I do not ask anybody whether I shall do it. I sell goods to suit myself.

The I. H. Co. has never intimated that I could not handle their binders or mowers unless I bought other goods or discontinued handling goods of other manufacturers. If they had, they would have had their contract in two minutes. Would have turned over their business to them. Would not allow any man to suggest what I shall do. I would not keep the agency.

Have been handling the McCormick binders and mowers twenty odd years. Have observed wonderful improvements in the last ten years from when I started with them. 374 The binder is a very much better machine and in every way superior to the binder of 10 or 15 years ago. The binder has increased but very little in price in the last ten years—has been running about the same. Cannot say that I remember any staple farm implement that has im-

## XII

*Testimony of Implement Dealers (cont'd.).*

proved more in efficiency and increased less in price than binders in the last ten years, because they have improved a great deal in that period. The McCormick, Deering, Osborne and Walter A. Wood binders and mowers are handled at Sumter, S. C.

*Cross-Examination.*

Our wheat crop in South Carolina is very small. Our oat crops are good. The state is beginning to raise a good many oats. As to whether I call 324,000 acres of oats a large crop in proportion to crops raised in other sections of the country, will say, we are not in the regular grain country. That is a good crop of oats for South Carolina, more than they usually raise. Do not raise much small  
375 grain down there. That is not our money crop there. The cotton crop is the leading crop in that state. I sell from 8 to 12 grain binders a year. That is as many as I ever sold in a season. Most of the grain binders in South Carolina are sold around my city.

There are three dealers besides myself, one handles the Deering, the other the Osborne and another the Walter A. Wood. Thre are more International goods sold there along that line than any other. I expect 75 or 80 per cent. of the binders sold in that territory are International and about the same per cent. of the mowers and sulky hay rakes. Occasionally a corn binder is sold there. They are just coming into that territory. I try to sell International spreaders. Never have sold but one. There are  
376 very few in that country. I buy binders, mowers, rakes, spreaders, disc harrows, engines and a few separators from the International. I do not buy wagons.

*Re-direct Examination.*

I do not know of a single machine, of any type, offered for sale around Sumter, that is not offered on the merits of the machine. When a farmer comes into my place I take him into the show room. I have there the International, Avery, Bucher & Gibbs goods and others, and I show him my stuff. Whatever he likes is what I try to sell him. He takes his choice. I do not care what he buys, so I sell him my goods. The proportion of goods sold in



## XII

*Testimony of Implement Dealers (cont'd.).*

that territory represents the choice of the farmers. We do not dictate to him what he shall buy.

## SOUTH DAKOTA.

## V

210 H. O. ANDERSON, being duly sworn as a witness on behalf of the defendants, testified as follows:

My home is at Sturgis, South Dakota. I have resided there since 1884. My business is hardware and implements. Our total annual sales are about \$36,000. Our  
211 total implement sales, including wagons, aggregate about half of that. Of the International goods, we handle mowers, binders and rakes. Other than those of the International I handle plows, harrows, cultivators, seeders, wagons, hay tools and stackers. I buy plows and harrows and those various things from the Moline Plow Company and I buy wagons from the Lininger Implement Company, also stackers, sweeps and such and some plows from the Oliver. Ours is a stock country; our chief crop is grass. We do not sell very many binders. The percentage of our total implement sales from International goods, I should say, is about 20%.

In the time I have been in business I have noticed improvements in farm machinery, in binders and mowers particularly. The improvements in binders and mowers in the past 12 years has not been so very much, to my knowledge, except that they work easier and are stronger. The service and the machines now, as they affect the farmer, are very good. So far as I come in contact with our trade I find the farmers in our community satisfied with the service they are getting and the machines they are getting and the treatment received generally. I am not restricted in territory; I can sell a farmer living anywhere if I can induce him to do so.

212 I fix the retail prices on the machines myself. Crawford is our nearest supply house. It used to be Council Bluffs. I guess that's about 100 and some odd miles. There has been a supply house at Crawford about three

*Testimony of Implement Dealers (cont'd.).*

years. I think we are about 600 miles from Council Bluffs. They supply us in the spring with what we think is necessary to carry us through and we pay for them in the fall. This is of much benefit to the farmer, especially as far as repairs are concerned. We always have a good stock of repairs and they can come and get fixed out most any time they come in town.

The International Company has never objected to our carrying these other lines of goods in competition with their make of goods. They have never indicated to me that if I did not handle their other makes of goods I could not have their binders and mowers. They have often wished they could sell us more. If they did object to our carrying other lines of goods I would not carry their line at all.

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*Cross-Examination by Mr. Grosvenor.*

The mowers and binders—what little binders we sell—we have handled since 1892, I think. We buy nothing else of the International today except binders, mowers and rakes. At present there are only two dealers in Sturgis, but there had always been three before. The other dealer handles the Deering. The fellow that went out of business handled the Milwaukee. Around Sturgis I think the Deering sells the most mowers; next to that the McCormick and after that the Milwaukee. Those three make up nearly all the business in mowers just at present. I think the Deering sells the most rakes and after the Deering the McCormick and then the Milwaukee. There have been quite a number of other rakes sold, but I think at present the large percentage is of  
214 the International. We have sold other makes of rakes quite extensively the last few years. The percentage of International rakes and mowers seems to be growing; the others seem to be gradually passing away, except the Deere; they seem to be coming to the front in the last year or so. I don't know much about the improvements in binders in the last 12 years. We don't sell very many. The McCormick mowers have always given good satisfaction with our customers; pretty good before 1902.

It is about 40 years ago I saw the first binder; that was a wire binder. I think it was called the Marsh Har-

## V

*Testimony of Implement Dealers (cont'd.).*

vester. It looks a little like the picture shown. I can't say that I afterwards saw another harvester entitled "A  
 215 Successful Wire Binder—(Locke's)." I believe most of the improvements over the old Marsh harvester were made before 1900. The sort of binder that you see nowadays I have seen for nearly 20 years or perhaps longer; that is, using the twine knotter.

## VIII

## 557 C. J. BACH:

I am in the implement, banking and farming business at Hurley, South Dakota. My average business in farm implements amounts to about \$20,000, of which, in 1912,  
 558 \$2,000 to \$2,500 was with the I. H. Co. I think about a tenth of my business has been with the I. H. Co. I handle the McCormick binder, mower and hay rake and the Thomas mower. I handle a general line of farm implements outside of harvesting machinery, including those made by other companies and sold in competition with like implements of the International.

Last year we bought Mitchell-Lewis wagons, Stoughton wagons and a car of wagons from the International which came in for next fall's use. We have sold the National, made by the Moline Plow Company, manure spreaders. Are not selling them this year. We buy the most manure spreaders in the fall. Last year we sold the  
 559 Fuller & Johnson and Waterloo gas engines, the Rock Island and Moline disc harrows, and the Moline drag harrows.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery if I did not refuse to handle this other mower or increase my purchases from that company of its other lines. The International has never attempted to coerce my action as a dealer in purchasing either from that company or from any other company. Should they attempt that, I would cut them out absolutely. The man who would make such a proposition to me I would throw out of the office if I was able.

Last year the Acme and Deering lines were handled at Hurley. I come in competition with towns around Hurley. The Independent Company's line is handled at

## VIII

*Testimony of Implement Dealers (cont'd.).*

Viborg, eight miles from Hurley, and the Acme is handled at Parker, ten miles north of us, and the dealer there handled the Acme binder last year, and I think the Dain mower and the Johnston Corn binder. I think the Acme was handled at Viborg, and I think there were some John Deere dealers there last year but I am not sure. I was  
 560 so informed. These dealers solicited farmers to buy harvesting implements. There is active competition in the harvesting trade there.

Have been in business twenty-nine years. Was a member of the Legislature the first two sessions and a member of the House of Representatives from my county. I was Commissioner of Schools and Public Lands of this State in 1902 and 1904. Served four years at Pierre.

*Cross-Examination.*

Have handled McCormick lines twenty-nine years except the four years I was not in active business while at Pierre. The Deering lines have been handled at Hur-  
 561 ley, I think, twenty years. Champion was sold for several years, also the Buckeye. No Planos. The Walter A. Wood was sold there a number of years twenty years ago; Champion later than that, and the Buckeye later than that. In the mower line the Emerson was the leader there quite a number of years. It is not sold there at all now. The Deering and McCormick lines have held their own and been the principal lines for twenty years I think. There are two dealers at Hurley. John Carnahan sold the Acme last year and for three or four years. He has left there. He handled the Acme lines, their stackers, mowers and binders, and was a blacksmith. I think he handled gasoline engines. He did not carry a full line. The two regular dealers are myself, handling the McCormick, and Farnsworth who carries the Deering. He does not carry what we call a full line. I am the only one who carried what we call a full line. Have been asked to  
 562 carry the Acme lines. I did not decline them; could not offer me inducement whereby it would pay me to change. It was offered me before it was given the blacksmith, I think. Do not know whether the Deering man was ever offered or asked to take the Acme lines.

I judge perhaps from a half to three-fourths of the

## VIII

*Testimony of Implement Dealers (cont'd.).*

binders sold in the last ten years have been of International make. I do not know positively. Other than the International the Acme binders have been sold there principally in the last ten years. The Acme has been sold three or four years. Our towns are close together and our trade crosses. Did not have exclusive sale of a certain territory. They all lap.

I think there were some John Deeres sold at Viborg last year. Was told twelve. I sold five or six binders last year. Do not know what per cent. of the corn binders sold were International. Quite a number of Johnstons have been sold in our territory out of Parker ten miles away. All of those sold from our town have been International.

I was in the Legislature in 1899, 1890 and 1891. That was the first and second State Legislature. The International holds some of my notes. The last car of wagons that was shipped in, in January was shipped in on next fall's terms and settled with a note. Outside of that I pay cash for everything I buy. I did not talk with counsel for defense about percentages of business before I went on the stand.

*Re-direct Examination.*

Counsel asked me nothing about these percentages at all. This is the first time it was presented to me.

Whereupon counsel for the defense handed to counsel for the Government the list of dealers and lines handled in Block No. 8 of the Sioux Falls General Agency.

H. M. BLEEKER:

Am in the implement business at Emery and Bridgewater, S. D. The annual volume of my business in the two towns is about \$50,000. They are in the same territory, about 8 miles apart. In both towns about \$20,000 is business I do with the I. H. Co., or about 40% of my business.

At present I handle the McCormick mowers, binders and sulky rakes.

I handle a general line of farm implements, including those made by other companies and sold in competition with like implements of the International. In those lines

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*Testimony of Implement Dealers (cont'd.).*

I handle the Rock Island, Moline, Sterling and North-wall's.

- 431 The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I increased my purchases in their other line of goods.

The I. H. Co. has never attempted to coerce my action as a dealer in purchasing from that company or any other. If they should say that I could not handle their harvesting machinery unless I bought this, that or the other as a condition thereof, I would tell them to go down to the creek; no matter how polite they were that is what they would get.

There, Deering, McCormick and Acme harvesting machinery were handled at Emery last year and before. The Dain mower is handled there. There is another dealer at Bridgewater beside myself. There is no harvesting machinery handled there but the I. H. Co. They handle the Deering. The Acme is handled at Alexandria, 9 miles from Emery. Competition is active between the Acme and other makes of harvesting machinery sold there. The farmers are solicited to buy.

That is true of the Dain mower and the Emerson mower. I think the Emerson mower is handled at Alexandria.

432

*Cross-Examination.*

There are only two dealers at Bridgewater. One handles the Deering and the other the McCormick and Acme. He handled the Acme last year, but cannot say as to this year. There are three dealers at Alexandria. I think all of them handle I. H. Co. lines. Most of the business in binders in my territory is in the International.

- I judge about 85 per cent. of the binders sold in my territory in the last five or six years have been of International make; 65 per cent. of the mowers; 65 per cent. of the rakes; practically 100 per cent. of the corn binders; 60 per cent. of the twine and about 50 per cent. of the  
433 headers.

From the International I buy binders, mowers, rakes, engines and some spreaders, no wagons or separators. Most of my account with the International is made up of these harvesting lines.

*Testimony of Implement Dealers (cont'd.).*

## 162 PHILIP M. BONNIWELL:

I have been in the implement and hardware business at Whitewood, S. D., since 1897. The volume of my business per year is about \$45,000. I am in the hardware business and furniture business, wagons and buggies. About 60% of this \$45,000 is in agricultural implements, wagons and buggies. I sell John Deere plows and Moline plows and harrows. I handle Deering and McCormick binders and mowers, and rakes of the I. H. Co. I handle the Winona wagon. I handle the Rushford wagon, and I handle the Schuttler wagon. That is all. I handle no binders, rakes or mowers other than those of the International. I sell Fairbanks-Morse and International engines. I have sold more Fairbanks-Morse engines than the International. I have never sold very many manure spreaders, but what I have sold have been International. I sell DeLaval and the Sharples cream separators, the Moline cultivators, the Moline plows and the John Deere plows. About one-fifth of my business is in so-called harvesting lines, binders, mowers and rakes. About one-fifth portion of my business is I. H. Co. business. The trend of prices in the last 15 years in agricultural implements, in plows and harrows, has been a little advance. Binders and mowers in the last 10 years, I don't think they are quite so high. Binders and mowers have not advanced as much as the other things in our territory. Wagons have advanced about 25 or 30 per cent. Cultivators have advanced some. No important line of agricultural implements handled by me has advanced less in price to the farmer than the binder and mower.

The Deering binders and mowers have improved a great deal in character, efficiency, appearance and durability during the last 10 or a dozen years. I average about 4 or 5 binders a year. It is a small business. Our country is more of a stock country. They use more mowers and rakes, cutting wild hay mainly. The McCormick and Deering mowers have improved a great deal in 10 years. They are made stronger, more durable and they run lighter. The Deering has been changed more than the McCormick. I first began to sell the Deering mower

*Testimony of Implement Dealers (cont'd.).*

in 1897. Our trade in the Deering mower compared with 10 or a dozen years ago is about a stand-off. In 1903 and 1904 the McCormick was the best seller. It was the best mower. About 1903, '04, '05, they improved the Deering very much. They continued to make those improvements. The Acme and the Johnston mowers are sold in our territory. They are offered for sale in our territory. The I. H. Co. has not attempted to force me to purchase its goods. I have been just as free to buy, or refuse to buy its goods, as I have those of John Deere or anybody else, just as free. The effect of any attempt to coerce me to buy a certain line of goods in order to have the sale of another line, I would have to quit handling them, that is all. I would simply throw out the goods that they were attempting to use pressure on me to buy.

166 The way in which I buy is about the same since the I. H. Co. was organized, as it was before. I fix the prices at which I sell the goods I have in my store. The I. H. Co. never tried to tell me what I could see its brand of goods for.

We used to have to send to Council Bluffs for our repairs and it took 3 or 4 days to get them there. We get all our supplies from Crawford now and we can send for repairs one morning and get them the next noon, whereas, before we would have to send to Council Bluffs, it would take 4 or 5 or 6 days to get them and that is very essential to the farmer.

I never heard of it that the I. H. Co. has taken away the freedom of the dealer. Never heard or know of anything of that kind. I did not know that I had been robbed of my freedom as a dealer by the I. H. Co. It is not true in our territory that the farmers have been oppressed and burdened, and their opportunity for getting machines freely, on good terms, and proper terms, have been interfered with. I don't know that I ever heard of it from the politicians. I never heard of it.

*Cross-Examination.*

I farm a little and I am a retail dealer. There is just one dealer there now. In 1897 there was one handling the Deering line and the other the McCormick, for about



*Testimony of Implement Dealers (cont'd.).*

two years after I went into business. In 1902 there was just one, myself.

The towns I come in competition with, in the sale of harvesting machinery, are Sturgis, 8 miles south of me; Saint Onge, 8 miles north; Spearfish, 12 miles west. There are two dealers at Sturgis. Mr. Anderson handles the McCormick. Mr. Myer handles the Deering. At 168 Saint Onge, just one. He handles either a Deering or McCormick. There are two dealers at Spearfish. Mr. Wolzmuth handles the McCormick, and Mr. Toomey, I think, handles the Deering. Each of these towns handles either Deering or McCormick lines. I will add to that, that Mr. Toomey last year handled the Acme. I could not say how many he sold. In 1902 there were about the same number of dealers in those four towns. Before the International Harvester was formed there was competition between the two manufacturers—the Deerings and the McCormicks. Now all those dealers buy from the 169 same manufacturer. I should judge around 90 per cent. of the binders sold in these four towns in the last 10 years were Deering or McCormick. Just about the same in mowers. In hay rakes I should judge it would run about the same proportion. One company would sell as large a proportion of any line or class of agricultural implements as the International, if they could, I guess. There is no demand for them. John Deere and Moline and 170 Rock Island sell plows in those four towns, and I should judge the Moline sells 90 per cent. of the plows in our town of Whitewood. They have been selling 90 per cent. of the plows in Whitewood a good many years because I have handled the Moline plows and John Deere plows ever since I have been in business. The John Deere are handled in Belle Fourche and they are handled in Sturgis. I think Mr. Eckles in Belle Fourche handles them, and each of these dealers has a good business in different kinds of plows.

The articles which I buy from the International Harvester Company are Deering binders, McCormick binders, Deering corn harvesters, McCormick corn harvesters, Deering twine, and repairs for the binders and rakes and everything.

The binders and mowers have not advanced in price

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*Testimony of Implement Dealers (cont'd.).*

171 very much since 1902, if any. In 1902 a 6-foot binder cost me \$100 or \$101 besides the freight. We are paying now about the same. There is not any material difference, I do not think.

The agricultural implements have improved in quality in the last 10 years. I carry repairs on hand now at Whitewood. I carried repairs in 1902. I used to carry six or seven hundred dollars worth of repairs, just in Deerings. Today I carry about a thousand dollars for the two. I do not carry as much now because it is much handier to get it. I get it from Crawford. Before, we used to send to Omaha or Council Bluffs. For that reason I carried more stock. The train goes down in the evening, gets over to Crawford and comes back the next day. The farmer was not as well off then as he is now because lots of times I would get out, and when I did get out it took much longer to get the repairs. I did my best to carry on hand what was needed. Lots of times there is delay in shipping so far. You see it is a long way from here to Council Bluffs or Omaha to Whitewood, and lots of times repairs would get side-tracked around these stations, by shipping so far.

## VIII

## 473 B. T. BOYLAN:

I am in the hardware and implement business at Armour, S. D. Its annual volume is about \$30,000 of which \$18,000 is in implements, vehicles and twine. 25 to 30  
474 per cent. of it is with the I. H. Co. I handle Deering binders, Deering and Dain sulky rakes, Deering and Dain mowers, Deering and Penitentiary twine.

I handle a general line of implements including those that are made by other companies and sold in competition with like implements of the International. I handle the John Deere line almost exclusively.

The I. H. Co. has never intimated to me that I could not handle their harvesting machinery unless I refused to handle the John Deere rake or mower, or increased my purchases from the I. H. Co. of their other lines. They have never attempted to coerce my action as a dealer in purchasing from that or any other company. Should they make such a proposition I would tell them to go straight

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*Testimony of Implement Dealers (cont'd.).*

up or straight down with their harvester. The McCormick, Champion and Acme harvesting machinery is handled at Armour; Emerson and Thomas mowers are  
 475 handled there. I handle Deering, Penitentiary and Plymouth twine.

I do business in the territory around my town and come in competition with dealers of other communities. The Acme is handled at Delmont, Corsica, and Wagner. I understand that the Adriance-Platt binder of the Moline Plow Company is to be sold at Delmont and Corsica this year. Competition is very active and keen between these various makes of harvesting machinery on the market there. Farmers solicited to buy them all. Competition great deal more active in last three years than prior. Competing harvesting companies have opened up agencies and absorbed more and more of the trade in the last there or four years.

*Cross-Examination.*

My firm name is B. T. Boylan & Sons. I do not know who is going to handle the Deere line in Delmont. Did not testify on direct that Deere line was coming into Del-  
 476 mont, I said Adriance-Platt line was. None have been sold that I know of there. There are three dealers in my town, each of whom handles I. H. Co. harvesting lines. Acme has been handled there probably 20 years. McCormick and Deering lines leading brands of binders. The Champion is the other harvesting line sold there.

In the last ten years I judge 80 per cent. of the binders sold in the territory where I sell binders in competition with other dealers have been of International make, 50 per cent. of the mowers. Do not know how many Dain mowers I sold last year. I pay more attention to hardware lines. We sell mowers, do not keep those things in my head. Suppose we sold five or six Dain mowers and four or five Deerings. All of the corn binders sold around there in the last ten years have been International, and I judge about 50 per cent. of the rakes.

*Testimony of Implement Dealers (cont'd.).***TENNESSEE.****XI.****185 LEWIS THOMPSON:**

Am in the farm implement business at Ripley, Tennessee. The volume last year was from \$135,000 to \$140,000. I think around \$35,000 was in farm implements, vehicles and twine. Our account with the I. H. Co. last year was about \$11,000, or about a third of my implement business. I handle Deering and Osborne binders, mowers, and sulky rakes.

186 I handle a general line of farm implements, including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle the John Deere, the Parlin & Orendorff, and the Oliver, and buy various implements from various companies.

The I. H. Co. has never said that I could not handle their harvesting machinery unless I did more business with them, and less business with their competitors. If they should make this a condition, I would cut them out.

The Johnston and Thomas mower and rake, and the Dain mower are handled at Ripley. I do not know whether the Johnston binder has ever been sold. They have the agency for the Johnston line. There are hardly any binders sold in our territory; two or three a season would cover all the binder business. There is some hay here. Rakes and mowers are the International makes, the Thomas and Dain.

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*Cross-Examination.*

Ripley is not near the tobacco section. Its principal crop is cotton and corn. There are five or six dealers in Ripley. Two handle the International mowers. I handle the Deering and the Osborne, and the other man handles the McCormick. The other two dealers handle mowers; one is handling the Dain and the other the Thomas. Until recently there has been a Champion agency there. Rice & Tucker sells the Johnston mower. They handle no International mowers. The I. H. Co. holds none of my notes.

*Testimony of Implement Dealers (cont'd.).*

## UTAH.

## V

636 GEO. P. O'DELL:

I have been engaged in the agricultural implements and vehicle business for 30 years at Salt Lake City, Utah. Our aggregate annual sales of agricultural implements is about a million and three-quarters dollars. We have either 63 or 64 stores. The territory covered by those stores is all of Utah, southeastern Idaho, western Wyoming and eastern Nevada. The territory in which those stores are located is approximately 500 miles long and perhaps 350 wide. I am the General Manager of the  
 637 business. I am rather familiar with the condition of the agricultural business throughout this territory covered by our stores and have been all these years.

Of implements sold by the I. H. Co., I handle harvesters, and binders, mowers, headers, cream separators, rakes, manure spreader, some wagons.

I buy and sell implements from parties other than the I. H. Co., practically all of that line I have mentioned, excepting the binder and mower. I buy those from the John Deere Plow Co., and the Nichols & Shepard threshers. I buy about 15 per cent. of our total sales of agricultural implements and vehicles from the I. H. Co.

I handle John Deere plows, harrows, sugar beet tools, wagons, buggies, manure spreaders, hay balers, cream separator, I can't think of them all. I handle the International and U. S. cream separators. In our territory the header binder is used, the California machine and the Idaho machine, one made at Moscow and the other at Benicia, California. One of them is used by traction or  
 638 with 30 or 40 horses and the other with 6 or 7 horses. That machine is not manufactured or sold by the I. H. Co. I should say about 25 or 30 per cent. of the grain in our territory is harvested with that machine. We do not handle those machines. They are sold, however, in our town, they are sold over the three states, mostly direct by the manufacturer. Up to 1902 the McCormick, Deering, Champion, Wood, some Acme's, I think, and Easterly, Plano and Minneapolis twine binders were sold in that

## V

*Testimony of Implement Dealers (cont'd.).*

territory. The Champion, the Milwaukee, the Plano, the Deering and McCormick—the Acme are still sold there and I think the Johnston people have a binder there. I think every binder that is made is available in our territory.

I fix the retail prices on all the goods that I sell of the International make. The International has not said to me that if I did not cease handling the lines of goods in active competition with their goods, they would not let me have their binders or mowers or harvester machinery; if they did say so we would let them go.

- 639 We handle some International and some Plymouth twine, we buy twine in the open market. The farmer gets better machines now from all dealers, he gets more prompt service as to his extras, and the machines, in my judgment, have been so improved in the 15 or 18 years that he does not need expert service. There used to be a time when there was plenty of expert service and it was necessary. We do not have any experts from the factory now. We do not need them. I should say that most of the improvement in the binders has come within the past ten years. There has been some slight change in the prices of binders within ten years. For a number of years there was no upward tendency. The trucks are included in the parts we buy now. I do not think there is any higher price now.

*Cross-Examination.*

- 640 Those stores are located in a country where grain crops are raised. Snake River Valley is one of the largest grain producing countries in the northwest. I never knew of but one or two or three corn binders being sold in Utah and no corn binders in Wyoming to speak of. I believe there has been one or two corn binders sent into the lower Snake River Valley. In Nevada there is practically no corn binder business. I supposed the acreage of small grain in those states is small when compared with Nebraska, Iowa and Minnesota.
- 641 The binders that we sell are largely in Utah and the Snake River Valley, Idaho. I think we would sell around 400 binders in our 64 stores in a year. The mower business is larger in the states in which we do business than the binder business. In those states the acreage of hay

*Testimony of Implement Dealers (cont'd.).*

and forage is behind the states of the middle west. I would not say that we have more ranches in the four states  
 642 than farms. We have about four people that bid for our trade in the plow, and we have three that bid for it in the harvester and mower lines. The three in the harvester and mower line are the John Deere with the Dain mower and the Deere binder, the International, and the Acme. Deere have been offering binders to us for the past eight months. A year ago the P. & O. and the John Deere and the Oliver were in position to furnish us plows.

The Moline have their own houses, you know. They would not offer us their goods.

I should think 65 to 70 per cent. in our territory in the  
 643 mower business is the International. I should think about the same per cent. in binders and about the same per cent. in rakes is done by the International.

We are agents for the I. H. goods in this respect—we buy them.

We are a public corporation with 730 or 740 stockholders. We buy them at the lowest price possible and transfer to our stores their goods, and sell to the farmers direct. I presume we get the best wholesale prices they have. In speaking of prices in my direct examination, I was referring to wholesale prices. They sell binders and mowers in the territory in which we do business to others besides us. In 1902 I think the leading brands in our ter-  
 644 ritory were McCormick, Deering and Champion; the three in the aggregate done the larger part of the business; our purchase of twine last year was probably 500,000 to 600,000 lbs.

*Re-direct Examination.*

We have exceedingly severe competition in our retail binder and mower business at times. I am referring to competition with stores against our stores.

*Re-cross Examination.*

We don't compete with ourselves.

*Testimony of Implement Dealers (cont'd.).***VIRGINIA.****XII****200 GEORGE W. CASE:**

I am vice president of the Loudoun Valley Milling Company at Purcellville, Va., and am manager of the implement department of that company. Purcellville is in Loudoun County in the northern part of Virginia. We think it is a good agricultural country. Corn, wheat and hay are the principal crops there and there is some dairying. It is considered one of the best agricultural districts of Virginia.

Have been in the agricultural implement business since 1892. The last four or five years my annual average business in implements, vehicles and twine would be about  
 201 \$24,000, of which about \$10,000 has been in I. H. Co. goods. My company is the only company handling harvesting lines at Purcellville. We sell McCormick binders and mowers. The Adriance is sold within a competitive distance at Bluemont, Va., and Lovettsville, and Adriance mowers at Leesburg. Plymouth twine is handled at Bluemont and Lovettsville. Do not know as to Leesburg. Bluemont is 7 miles, Leesburg 9 miles, and Lovettsville 12 miles from my town.

Outside of harvesters we handle a general line of farm implements made and sold in competition with like implements of the I. H. Co. We handle Weber wagons, Thornhill—South Boston Buggy Company wagons, DeLaval cream separators, Brown-Manly Manufacturing Company, American Seeding Machine Company and John Deere Plow Company cultivators, International, Associated Manufacturers Company of Iowa and Fairbanks-Morse gas  
 202 engines, John Deere harrows and discs, John Deere and American Seeding Machine Company planters and Ontario Drill Company and American Seeding Machine Company drills.

We fix the price at which we sell our harvesting goods to the farmer. The I. H. Co. has never attempted to dictate that or by threat or intimidation to force us to increase our purchases from them or diminish our purchases from others. If the I. H. Co. should attempt to force



## XII

*Testimony of Implement Dealers (cont'd.).*

us to buy goods of them that we did not wish, or state that unless we bought such goods of them we could not handle their binders and mowers, we would close our account with them at once.

*Cross-Examination.*

In the course of a season we sell about 15 binders. McCormick and Deering are the leading makes, most of our business is in them. There are some Osbornes sold there, no Champions at present, to my knowledge, or Planos or Milwaukeees. I sell binders not only in my town but in the territory adjoining. Could only give a guess at the per cent. of binders sold there which are International. I stated the Deering and McCormick were the leading lines of binders. I would expect that the per cent. of binders would be 90 per cent. and about the same per cent. of the mowers. I sold 15 or 20 hay rakes. Am not able to answer what per cent. of the sulky hay rakes are International because that trade is largely trade that comes to us. We do not keep track of it. Have never sold but two corn binders. Tedders are sold around there. Do not know whether any other than International are sold or not. I do not come in contact with any other. At this time, so far as I know 100 per cent. is International. If you go back a year or two, it would be different. We sold then anything we could get in the way of a tedder—Hocking Valley.

We handle Weber and Thornhill wagons. Cannot say what per cent. of the twine in my territory is International. Could not say 75 per cent. of it is. My memory goes back to the condition of things in the harvester business in 1901 and 1902. The Deering and McCormick were the leaders then. The Osborne, Milwaukee, Plano, Buckeye and Wood were sold there. The I. H. Co. hold some of my notes. I buy binders, mowers, rakes, engines, wagons and twine, a few spring-tooth harrows, spreaders, and tedders of the I. H. Co. I buy no cream separators.

*Re-direct Examination.*

I do not know what make of tedders various dealers in towns surrounding me handle. McCormick and Deering were the leading binders in 1902, and are now. I believe

## XII

*Testimony of Implement Dealers (cont'd.).*

it is a fact that the proportion of the business I have stated was enjoyed by the I. H. Co. machines represents the choice of the farmers as to the machines offered for sale in my neighborhood.

- 206 I know of no machine offered there that is not offered to the trade on its merits. This note I gave was given in the ordinary course of business for goods bought this season and is not due that I know of. It will be paid when due. I feel under no obligations to the I. H. Co. on account of taking this note. Taking notes is customary in the implement business and has been ever since I have been connected with it.

*Re-cross Examination.*

I am the only dealer in Purcellville.

## XI

**WISCONSIN.**

- 323 D. W. ALLALY:

Am in the retail implement business at Mauston, Wisconsin. Its annual volume is from \$15,000 to \$20,000, of which about a third is with the International Harvester Co. At the present time I am handling the Deering line of binders, the Deering mowers, the Deering, McCormick and Moline Plow Company sulky hay rakes. I handle the Moline Plow Company's full line of goods.

- 324 I handle a line of implements outside of harvesting machinery made by other companies and sold in competition with like implements of the International. I handle the Johnston and Thomas line. Outside of harvesting machinery I handle the J. I. Case, the Moline Plow Company, the Gale, the LaCrosse full line, practically, of everything, the Fairbanks-Morse, Sta-Rite and the Galloway gasoline engines, the Moline and Lindsay Bros. wagons.

The I. H. Co. has never said to me that I could not handle their harvesting machinery unless I bought more goods of them or did less business with their competitors. If the I. H. Co. should impose this condition, I would tell them to take their goods.

- 325 The Acme harvesting machinery has been sold at Mauston, and the Independent and a few other odd machines.

## XI

*Testimony of Implement Dealers (cont'd.).*

The Independent is on sale there now, also the Acme. The same man has been selling both.

*Cross-Examination.*

I last sold Johnston grain binders about four or five years ago. There are four dealers in Mauston, at present. One of them carries the Independent and the Acme and one has not carried any binders for the last year. The leading binders sold in my territory are the International. From 75 to 85 per cent. of the binders sold are International and about the same percentage of the sulky hay  
326 rakes, 75 per cent. of the twine and from a third to a half of the spreaders. I handle C. B. & Q. side-delivery rakes. There are not many tedders sold there; just a few.

## 209 JAMES A. BLANCHARD:

210 I am in the implement business at Blanchardville, Wisconsin. Total annual volume is about \$28,000 of which about \$9,000 is with the I. H. Co. In round figures about \$6,000 is in binders, mowers, and rakes in which I handle the McCormick lines.

I handle a general line of farm implements including those other than harvesting machinery made by other companies and sold in competition with like implements of the I. H. Co. I handle the Stoughton and the Columbus wagon; the Deere and Clover Leaf manure spreaders; the Sharples and International cream separators; the Deere, Fuller & Johnson, and the Gale cultivators; the Janesville and International and the Van Brunt drills.

The I. H. Co. has never said I could not handle their harvesting machinery unless I bought more goods of the I. H. Co. or did less business with their competitors. If  
211 they should impose such a condition I would tell them to take their goods out. The Independent harvesting line is handled at my town. It has sold lots of shares of stock around there, and implements sales are following the stock.

*Cross-Examination.*

I do not think the sale of Independent implements keeps pace with the sale of stock. There are three dealers in

## XI

*Testimony of Implement Dealers (cont'd.).*

Blanchardville. One of the others handles the Deering lines, and the third the Independent. This is the first year for the Independent dealer. They sold some machines there in 1912. Whether they had a dealer or not do not know. The McCormick and the Deering are leading types of binders and mowers in my territory. I do not know what per cent. of the binders sold have been International. The Independents and Acmes have been sold there. I should think a great deal more than majority have been International. About 95 per cent. of the corn binders; 80 per cent. of the mowers, and 95 per cent. of the sulky hay rakes have been International.

It would be hard to give the per cent. of grain binders. I do not think it would be 80 per cent. As to twine mail-order houses are quite a factor. I handle International twine and so does the other dealer. Plymouth twine is sold by our competitors in competing towns. I judge over one-half the twine is International. The I. H. Co. holds some of my notes which are not yet due.

## IX.

## 31 H. BLIESNER:

I am in the farm implement business at Baldwin, Wisconsin. Last year our business amounted to \$15,000, of which \$7,600 was with the I. H. Co., or about half our business. I handle Deering binders, Deering and Osborne sulky rakes and Deering mowers.

I handle a general line of implements including those other than harvesting machines made by other companies and sold in competition with like implements of the I. H. Co. In these I handle the John Deere, Gale and LaCrosse Implement Company's goods. The I. H. Co. has never said to me that I could not handle the harvesting machinery unless I bought more goods of them in this other line that they make, or did less business with competitors. Should the I. H. Co. put such a condition to me I would cease handling their line.

The Acme, McCormick and Milwaukee are the other lines of harvesting machinery sold at Baldwin. John Deere binder not put on the market. Do not think it will be handled there this year.

## IX

*Testimony of Implement Dealers (cont'd.).*

33

*Cross-Examination.*

There are two regular dealers and one blacksmith handling some implements at Baldwin. The other regular dealer handles the Acme and McCormick. I handle Deering and Osborne. We have handled the Deering only. We have the Osborne rakes, but not Osborne binders or mowers.

The blacksmith handles no harvesting lines. The Deering and McCormick are the leading types of binders, sold there, in the time I have been in business, since February 1912. Before that I was at Spring Valley, Wisconsin, selling International lines. Was in business 13 years there. There were two dealers in Spring Valley when I left there in 1911. They handled Deering, Milwaukee and McCormick harvesting line of harvesting implements. Those were the only ones handled there.

34 In the ten years I was in business, 95 per cent. of the binders sold in the territory where I did business, around Spring Valley, were of International make, 90 per cent. of the mowers, 90 per cent. of the sulky rakes, 95 per cent. of the corn binders, 75 per cent. of the tedders, 50 per cent. of the twine and 75 per cent. of the spreaders.

## XI

318 DANIEL BOHAN:

Am in the implement business at Avoca, Wis. Its annual volume is about \$12,000, of which from \$2,500 to \$3,500 a year is with the I. H. Co., it averages about \$3,000—about a quarter of my implement business. I handle the Deering and the Milwaukee binders, the Deering and Osborne hay rakes. I have no contract for mowers. I handle a general line of farm implements, including those made by other companies and sold in competition with like implements of the I. H. Co. I have a contract with the John Deere Plow Company, the J. I. Case Plow Company, the Emerson-Brantingham Implement Company. I handle the DeLaval cream separator. The  
 319 I. H. Co. has never said to me that I could not handle their harvesting machinery unless I sold more goods of the company. If they should impose such a condition, am in position to tell them I would not stand for it. No other

## XI

*Testimony of Implement Dealers (cont'd.).*

line of harvesting machinery than the International make is sold at Avoca. The Acme line is handled in neighboring towns, and they work the same territory. That is true of twine. I handle the International twine and the Peoria twine.

*Cross-Examination.*

At present I am the only implement dealer in my town. At least 95 per cent. of the binders sold in my territory are of International make. About the same per cent. of the corn binders, about 90 per cent. of the mowers, and 75 to 80 per cent. of the sulky hay rakes. I handle International twine. At least two-thirds of the twine is International, and 25 per cent. of the spreader business. I handle virtually all of the International tedders. There are not any hay press trade; there is considerable hay loader trade. I handle a few International hay loaders.

## XII

## 406 ALBERT F. BORNSEIN:

I am in the implement business at Brandon, Wis. Its annual volume in implements is from \$8,000 to \$10,000. I do between \$3,000 and \$4,000 a year with the I. H. Co. I handle Deering binders, mowers and sulky hay rakes.

Handle a general line of farm implements outside of harvesting machinery, Deering rakes, John Deere corn cultivators, the John Deere line and some Plymouth twine.

407 The I. H. Co. has never said that I could not handle their harvesting machinery unless I bought more goods of the I. H. Co., or unless I did less business with their competitors. If they should say that to me, I would tell them to take the machine and I would try to get some one else's.

The Acme is sold at Brandon and the Johnston is sold at Fairwater, within four miles.

*Cross-Examination.*

There are 2 dealers in Brandon, and two blacksmiths who handle a little goods yearly. The other dealer handles the Acme binder and Appleton spreader. I don't know whether the blacksmith handles any McCormick

## XII

*Testimony of Implement Dealers (cont'd.).*

or not. There are quite a few binders and corn binders sold there. Deering were the leading binders in our territory, after that comes the McCormick. I judge 80 per cent. of the binders sold in my territory are International; 50 per cent. mowers; 70 to 75 per cent. corn binders and  
 408 from 60 to 70 per cent. of the hay rakes, and 50 per cent. of the twine is I. H. Co.

**TESTIMONY OF TEN OF THE DEALERS WHO DO NOT HANDLE  
 DEFENDANTS' GOODS.**

## X

## 409 JOSEPH BAKER:

Am in the implement and hardware business at El Paso, Ill. Have been in business 16 years. Its annual volume runs from \$20,000 to \$35,000, average about \$28,000. About \$20,000 is in implements and twine. Have done very little business with the I. H. Co. the last two years. Handle the Acme binders and sulky hay rakes, and the Acme and the Standard mowers, and Plymouth twine. I buy some rakes, and spreaders, and cream separators from the I. H. Co. As to whether I do a prosperous business, I am able to meet all my obligations so far. Am able to do that as an implement dealer without handling the I. H. Co. goods. I formerly handled them. In 1902,  
 410 1903 and 1904 handled the Plano, the Milwaukee and the Deering harvesting machinery and the Plano, the Standard, the Milwaukee and the Deering mowers. I do business with implement dealers other than the I. H. Co.

I usually settle for all straight goods in the fall by note due on the next spring's terms, subject to the condition of the next year's contract, that is, with respect to  
 411 all goods unsold. I think I do that in every instance where I buy goods of implement houses. It is the ordinary and usual thing, in implement business so far as my experience goes. I always did that when I was selling goods, and I always do it now that I am in the retail business.

*Cross-Examination.*

I last did business with the I. H. Co. in harvesting lines, two or three years ago. Have been handling the

## X

*Testimony of Implement Dealers (cont'd.).*

the Acme harvesting machines for two years. Still have some International goods in straight sale stuff and I have some spreaders which I got two years ago. There is another man who is the regular Deering agent there, but the spreader is not a Deering implement. There is a regular McCormick dealer there. I was the regular Deering agent until two years ago, then took on the Acme. Never  
 412 handled the Deering and the Acme at any one time. Have only bought repairs of the I. H. Co. in the last two years. Had no trouble with the I. H. Co. They did not seem to be able to protect a man in the matter of prices, and I stated to them that if they could not, I would try to do business with somebody that could. Since that have been selling the Acme. Sold nine Acme binders last season, and seven Acme mowers. There are a very few corn binders sold in my territory.

*Re-direct Examination.*

The International machines are practically considered all the same grade and there was a man in a near-by town who seemed to enjoy selling binders for the fun of the thing, or the accommodation of the farmers, and of course it was hard for me to sell the machine I was selling. The blockman would tell me he was not selling the same machine I was, and I was not in competition with him, or he with me; that the binders were practically all the same price, and it was impossible for me to sell machinery in the same neighborhood with this party making the prices that he did. He was selling the McCormick. He was the local implement dealer, in an adjoining town.  
 413 He was cutting the prices on the binders. I simply told the International if they could not control him, I would deal with somebody else that could control such a condition. They said they had to carry a stock of repairs there for the accommodation of the machines that had been sold and that they could not consistently withdraw the agency. I never heard anything about power to coerce the dealer in respect to retail prices.

## IX

150 H. A. BOYER:

Have been in the farm implement business at Fari-bault, Minn., four years. I handle the John Deere binder,



## IX

*Testimony of Implement Dealers (cont'd.).*

the Dain sulky rake made by the John Deere people, and the Dain mower. Have done no business with the I. H. Co. in the last two years. Am a retail implement dealer doing no business whatever with the I. H. Co. I think mine is a successful business and find I can succeed in  
 151 establishing a successful business and carry it on without handling any harvesting implements or other implements of the I. H. Co.

I sold 14 John Deere binders last year. The first year I handled them I just got two. It was a brand new binder, first put on the market at that time. Have found it as easy to sell the John Deere binder as any other.

*Cross-Examination.*

Have been in the implement business practically all my life, only four years at Faribault. Before that was at Fountain, Minn. Handled the McCormick line there, then sold out and moved to Faribault. I think there are five  
 152 dealers at Faribault handling farm machinery. P. J. Moran handles the McCormick line; C. M. Wall the Deering line; Mahoney the Champion, and the Faribault Implement Company handles the Acme and Johnston lines. I never tried to get McCormick to handle there or any other I. H. Co. lines. The first two years I was in business I handled the Milwaukee lines and there were four dealers, including myself, handling International lines. I gave up the Milwaukee and took on the Deere.

*Re-direct Examination.*

The man who handles the Acme is an active agent in  
 153 its sale. Sells a good many Acme binders. Sold 12 or 15 there last year. The Johnston corn binder is extensively sold there.

## VII

## 290 GEORGE H. CARTER:

I am with T. J. Carter & Son. We are in the hardware, grocery and implement business at Windsor, Mo. The annual volume of our business is from \$50,000 to \$70,000. I judge \$10,000 represents the business in implements, vehicles and twine, none of which is done with

## VII

*Testimony of Implement Dealers (cont'd.).*

291 the I. H. Co. Have made a little money without handling any of the I. H. Co. goods. We are not complaining. We do not handle any binders; I demonstrate the fact that it is possible to do a successful business in farm implements without handling a binder. We handle the Thomas sulky rakes and mowers, and Plymouth twine and a general line of farm implements. I did buy a little bill of rope from the International once.

*Cross-Examination.*

Have been in business 15 or 18 years. There are four implement dealers at Windsor. The others handle all lines including binders. McKee & Corman Hardware Co. handle the McCormick, Arnold & Hayden handle the Deering and Johnston and Tompkins handles the John Deere and Acme. Windsor has about 2500 population.

292 Sold 5 or 6 mowers last year. The implement part of our business is the smallest. We do business in groceries, hardware, wire and buggies. In the last 10 years I expect there have been more McCormick mowers sold in the territory around Windsor where we sell mowers than of any other kind. In the last two or three years we have sold quite a few Thomas and Acme. Quite a few Deerings have been sold; except they are pretty evenly divided, take it all around the last two or three years.

*Re-direct Examination.*

The man who handles the McCormick harvesting machinery handles a general line of farm implements, that are not made by the I. H. Co., the Oliver line. The man who handles the Deering handles the Johnston harvester line. The other man handles the John Deere and Acme, the John Deere mower or the Dain. All of these machines

293 are offered to the farmers and patronage solicited for all of them. Business in mowers is evenly divided among the various makes on an average the last few years—Thomas, Acme, Dain and Deering about equally divided. There were more Acme binders sold out of our town last year than any other. Years ago the McCormick had the lead; think they were practically the only people there at that time. In later years the competition has increased until each one has its relative share of the business.

## VI

*Testimony of Implement Dealers (cont'd.).*

C. D. CHAPMAN:

I reside at Giltner, Neb. I am in the hardware business and last year I took on the Acme binder and hay tools. Last year I sold 20 Acme binders. There are other dealers at Giltner, exclusive implement dealers. One handles the McCormick and the other the Deering. They handle various lines of agricultural implements, made by John Deere, the Emerson and these other people. I think I sold just as many binders as both of the others, to my knowledge. Sixteen McCormicks and four Deerings were sold there.

*Cross-Examination.*

The other two dealers handle all agricultural implements, and have been doing that for some years. I do not know whether the Acme tried to get them to take on their lines before offering them to me. One of the arguments which helped me in the sale of the Acme implements is that they are made by a company unconnected with any trust. I have found that a reasonably strong argument.

*Re-direct Examination.*

But back of everything else is the quality of the machines and the quality of the salesman who sells the goods, we think that is the point.

*Re-cross Examination.*

I handle Plymouth twine.

743 R. O. FARMER:

I am a farmer and also in the implement business at Anthony, Kan. I handle the Independent harvesting machine. I have succeeded very well in business. I sold five of their binders the first year and last year I sold 14. My sales in other lines have gone on very well.

*Cross-Examination.*

I did not sell anything besides Independent Harvester goods. There are three dealers there including me. I guess both of the other dealers sell International stuff.

## VI

*Testimony of Implement Dealers (cont'd.).*

One of them sells the Acme, however. That is, he carries the Acme with his International. Most of the machines that have been sold there in recent years have been International; anyhow half. I use the Penitentiary twine.

## HENRY GROSSHANS:

I have been in the implement business and farming at Sutton, Neb., 35 years. I do very little business with the I. H. Co. I sell Acme and Deere harvesting machinery. I have been selling the Acme machinery about ten years continuously and the Deere machinery one year. I handle  
53 Acme binders, mowers and rakes. And the John Deere binder and the Dain mower.

I have succeeded in my business. I have found the field open for the sale of these binders and mowers. I sell about half of the harvesting machinery in our territory. The question of selling a binder, mower or rake to the farmer is one largely of the machine and the sales-  
54 man. I sold 15 Deere binders the last year and 21 Acme binders.

*Cross-Examination.*

There are three dealers at Sutton in 1902. Before 1902 I was handling the Plano and the other dealers the Deering and the McCormick and in addition the Milwaukee and the Champion were sold around there.

I discontinued handling the Plano as soon as they organized as the I. H. Co. I then took on the Osborne because they were independent. I handled it until they  
55 went in with the I. H. Co. I handled it for more than three years.

When the Osborne went into the I. H. I took on the Acme, and have handled the Acme ever since. I guess they are still offering the Plano for sale but have not  
56 pushed them. They have not sold any Champions the last few years to amount to anything. I think they have sold a few Milwaukee. The I. H. Co. has pushed the McCormick and Deering lines in our territory. There are two dealers at Sutton today. I handle the Plymouth twine.

## X

*Testimony of Implement Dealers (cont'd.).*

221 H. C. HEINE:

Have been in the farm implement business at Faribault, Minn., seven years. The first year we did about \$20,000; last year over \$33,000 worth. We do not do any business with the I. H. Co. We handle Acme and Crown binders, mowers and rakes, and a few Johnstons, including Johnston corn binders. We have a growing and successful business without handling any line of the I. H. Co. goods. Have had good success in the sale of the Acme and Johnston harvesting machines.

*Cross-Examination.*

222 The \$33,000 worth of business constitutes everything—binders, mowers, rakes, corn huskers and twine. I do no business other than in agricultural implements. There are four dealers altogether at Faribault. I think there are two who do business with the I. H. Co. We have handled the Acme seven years and the Johnston five years. We do not handle International goods because we thought we could get along without them. We have two good lines. They give us good satisfaction. I am not the Deere-Webber agent.

## VII

276 E. D. MARTIN:

I have been in the implement and harness business at Lathrop, Mo., for about 10 years. The annual volume of my business is about \$15,000, of which about \$10,000 is in farm implements, including vehicles and twine. Not a penny of it is done with the I. H. Co. I do a successful farm implement business in my town without doing any with the I. H. Co. I do not find it necessary to do business with the I. H. Co. to succeed as a dealer in farm implements; I can find plenty without them. I handle the Acme and Johnston binders, sulky rakes and mowers. My business seems to be growing from year to year.

277

*Cross-Examination.*

Have been in business for myself about 10 years. There are two dealers at Lathrop besides myself. Each of

## VII

*Testimony of Implement Dealers (cont'd.).*

them handles International lines of harvesting implements, one the McCormick and the other the Dain and Deering—that is Armstrong & Elwood.

I have never handled any of the International lines. I started in business about the time the International was formed. Made up my mind I would have nothing to do with them; reckon that is what I done, made up my mind that way. Never bought anything from them; got started with the Johnston people, had good success and no reason to change. Sold the Acme too. As to whether I sell the machine using as one argument that the Acme is not made by the trust, will say that I fight them as hard as I know how. Yes, sir, that is one of the arguments I  
 278 make; sometimes it helps. The reason I have not handled any International goods is I started with the Johnston people; they treated me nice and I have had no reason to quit them. The Acme is a good machine; it gives good satisfaction.

*Re-direct Examination.*

I go out and work as hard as I can to sell my goods, but as a rule it is true the farmer buys a machine on its merits. I sell it to the farmer by showing it to him and making him believe I have the best machine. The trust proposition does not cut much ice; they don't respond to that. They want to know about the machine. I don't do business on that basis; I fight my own battle.

*Re-cross Examination.*

I expect 60 or 70 per cent. of the binders sold around Lathrop in the territory in which I do business have been International in the last 10 years, about one-half of the  
 279 mowers, and I have given them a pretty even shave on the corn binder. I handle Plymouth twine and sold about one-third of the twine in town, I have cut it up pretty even.

*Re-direct Examination.*

Have done a very successful business; have demonstrated the fact right there in my town that a man representing the Acme and Johnston machines can do a successful business in opposition to the International. The

## VII

*Testimony of Implement Dealers (cont'd.).*

only trouble I have with the International is they have more money than I have, but man for man between me and the other agents I have demonstrated it to be a fact that a man can take those machines and successfully sell them. I am satisfied.

*Re-cross Examination.*

I never heard of another dealer anywhere in my part of the country who does not buy some goods of the International.

## IX

## 17 JOHN PADDEN:

I am in the farm implement and hardware business at New Richmond, Wis. Have been in the business about two or three years. The annual volume of my business is from \$45,000 to \$55,000, of which from \$10,000 to \$12,000 is in farm implements. Have done no business to speak of with the I. H. Co. for some little time. My machinery business is done practically without doing any business with the I. H. Co. Handle no harvesting machinery at all.

18 I handle Plymouth twine and the Acme mowers and rakes. Have not handled a binder since 1906, I think. I have demonstrated that I can do a successful business without handling any binder and that is the reason I quit it.

*Cross-Examination.*

There are two dealers in New Richmond besides ourselves. Each of the other dealers handles harvesting lines; one handles McCormick and the other the Deering. Ours is quite a small grain territory. There is a good sale for binders there. Since we quit handling the Acme the only binders sold in my town in the last 5 or 6 years have been International. Have handled International lines; handled the binder up to 1906, previous to the time we handled the Acme. I may not be right about the date we quit handling International goods. Handled McCormick 20 years, that is, since after 20 years back up until the company was taken over by the I. H. Co., and we handled it for two years afterwards. I do not remember the dates. Since we gave up the McCormick we handled the Acme.

## IX

*Testimony of Implement Dealers (cont'd.).*

I found it unprofitable to sell the Acme. As to whether that was because the sales in that territory were McCormick and Deering, I could not say as to that. We quit in the first place because we felt as though the binder business was not profitable. Afterwards we decided we would try a binder again and took on the Acme and found after we sold for one year or so that we would give up the business entirely and did not take on a binder any more.

- 20 The number of binders sold in my town varies. There have been 100 or 125 sold there. There was no money for us in carrying McCormick lines. In the last 7 or 8 years the greater portion of the binders sold in the territory where I do business, with the exception of the two years we handled the Acme, have been International. More than 90 per cent. would be International. The McCormick and Deering are the leading lines of mowers in our territory. In the last ten years 90 per cent. of the mowers have been McCormick and Deering; about the same proportion of sulky rakes and 60 per cent. of the twine have been International.

In 1901 the principal binders in the territory were the McCormick and Deering. I gave up the McCormick line voluntarily.

## 23 F. R. SEBENTHAL:

Have been in the agricultural implement, farm machinery and vehicle business for 20 years at Eau Claire, Wis. The annual volume of my business is from \$20,000 to \$30,000. Do not do any business with the I. H. Co. We have the Johnston line of binders, mowers and sulky rakes, and some Thomas mowers.

- 24 As to whether I have demonstrated that a man can make a success of the retail implement business without doing any business with the I. H. Co., I try not to let a thing go out of my place without I get a profit on it. I sell harvesting machines to the farmers and consider I do a good trade.



## IX

*Testimony of Implement Dealers (cont'd.).**Cross-Examination.*

If the farmer wants anything the International people have I go and get it, otherwise I handle no International goods. I do not go on the principle that that is a company I had better leave alone. Have been there in business a great many years and, years ago, handled some McCormick and Champion goods. Have not handled any International goods since the International was formed. Was not handling the McCormick when the International was organized.

25 Did not sell many Johnston binders last year; sell a great many corn binders and mowers; sold three Johnston binders; 14 Johnston corn binders; and 3 Thomas mowers, I think. The Johnston line has been sold at Eau Claire for quite a while; I think about 6 or 7 years. We handle only one kind of Thomas mower that is adapted to some of our trade; have had that about 4 years.

I know some agents who do not handle International goods; could not tell how many.

## RETAIL PRICES NOT FIXED BY INTERNATIONAL.

The following dealers testified that the defendants do not fix retail prices:

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# SUMMARY OF TESTIMONY OF IMPLEMENT DEALERS.

The summary of the testimony of implement dealers, on the next page, shows:

That 823 implement dealers were called by the defendants from 24 states;

That the total volume of business of 748 dealers (all who testified on this point) was \$41,382,715;

That the amount of business in farm implements, vehicles and twine of 810 dealers (all who testified on this point) was \$24,118,403;

That the business in I. H. Co. goods of 798 dealers (all who testified on this point) was \$6,186,928;

That the business in harvesting machinery of 108 dealers (all who testified on this point) was \$390,534;

That 804 witnesses testified to no coercive practices by the International. Of the 19 other dealer witnesses 10 were not handling I. H. Co. goods, 5 were not interrogated on this point, 4 testified that requests were made to them not to handle competing goods, which were disregarded, and one such request in 1902 resulted in the dealer refusing to handle I. H. Co. goods.

That 73 dealers stated they handled competing binders, mowers or rakes while handling I. H. Co. line, 1903-1905, inclusive.

That 498 dealers stated that they handled competing binders, mowers, rakes or twine while handling I. H. Co. line, 1906-1913, inclusive.

That 21 dealers stated that they handled I. H. Co. binders, mowers and rakes and competing twine (and no I. H. Co. twine), 1903-1913, inclusive.

That 425 witnesses—all who testified on this point—stated that the dealer fixes his own prices.

That 56 dealers stated that there had been practically no advance in prices of harvesting machinery.

That 41 dealers stated that there had been less advance in prices of harvesting machinery than in prices of other agricultural implements.

That 128 dealers stated that harvesting machinery had been improved since 1902.

That 77 dealers stated that business conditions, repair and expert service have been better since 1902.

Following the summary are tables giving the names of the witnesses, arranged alphabetically by states, who testified as to their volume of business and the handling of competing machines.

## SUMMARY OF TESTIMONY OF DEALERS.

| State               | Total Number of Dealers | Total Volume Business | Amount in Farm Implementments, Vehicles and Twine | Amount in I.H.C. Goods | Amount in Harvesting Machinery | No Coercion of Dealer | Dealer Fixes Prices | Prices of Harvesting Machinery (See Note 1) | Machines Improved Since 1902 | Business Conditions, Repair and Expert Better Since 1902 | Dealers Handling I. H. C. Line and Competing Binders, Mowers, Rakes or Twine (See Note 2) |     |    |
|---------------------|-------------------------|-----------------------|---------------------------------------------------|------------------------|--------------------------------|-----------------------|---------------------|---------------------------------------------|------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------|-----|----|
|                     |                         |                       |                                                   |                        |                                |                       |                     |                                             |                              |                                                          | A                                                                                         | B   | C  |
| Illinois.....       | 69                      | ★ 3,167,500           | ★ 2,014,000                                       | ★ 68                   | 442,841                        | ★ 5                   | 11,350              | 68                                          | 1                            | 1                                                        | 8                                                                                         | 44  | 3  |
| Indiana.....        | 24                      | 67 1,244,500          | 69 3,511,750                                      | 24 24                  | 146,700                        | 24 10                 | 33,937              | 24 9                                        | 9                            | 18                                                       | 13                                                                                        | 13  | 1  |
| Iowa.....           | 95                      | 85 4,242,000          | 94 3,446,083                                      | 94 94                  | 741,246                        | 10 33,937             | 91                  | 44                                          | 27                           | 7                                                        | 25                                                                                        | 69  | 1  |
| Kansas.....         | 113                     | 101 4,490,500         | 111 2,517,704                                     | 109 109                | 741,385                        | 19 44,650             | 112                 | 102                                         | 17                           | 7                                                        | 8                                                                                         | 71  | 1  |
| Kentucky.....       | 5                       | 5 505,000             | 5 282,500                                         | 5 5                    | 49,000                         | 5 5                   | 5                   | 5                                           | 1                            | 1                                                        | 1                                                                                         | 2   | 1  |
| Maryland.....       | 5                       | 5 239,000             | 5 124,000                                         | 5 5                    | 34,416                         | 5 5                   | 5                   | 5                                           | 1                            | 1                                                        | 1                                                                                         | 2   | 1  |
| Massachusetts.....  | 1                       | 1 300,000             | 1 60,000                                          | 1 1                    | 11,000                         | 1 1                   | 1                   | 1                                           | 1                            | 1                                                        | 1                                                                                         | 2   | 1  |
| Michigan.....       | 24                      | 23 1,086,000          | 24 671,500                                        | 24 24                  | 164,625                        | 24 6                  | 21,100              | 24 2                                        | 2                            | 3                                                        | 5                                                                                         | 18  | 1  |
| Minnesota.....      | 96                      | 84 3,445,500          | 94 2,211,500                                      | 92 92                  | 695,117                        | 6 21,100              | 93                  | 19                                          | 8                            | 3                                                        | 2                                                                                         | 51  | 3  |
| Missouri.....       | 88                      | 82 4,015,500          | 87 1,786,000                                      | 85 85                  | 408,764                        | 24 58,150             | 83                  | 76                                          | 2                            | 9                                                        | 3                                                                                         | 56  | 2  |
| Montana.....        | 2                       | 1 100,000             | 2 173,333                                         | 2 2                    | 20,000                         | 2 2                   | 2                   | 1                                           | 1                            | 1                                                        | 1                                                                                         | 1   | 1  |
| Nebraska.....       | 70                      | 56 2,651,000          | 65 1,995,500                                      | 65 65                  | 569,368                        | 24 152,297            | 68                  | 61                                          | 31                           | 25                                                       | 10                                                                                        | 44  | 2  |
| New York.....       | 19                      | 19 1,455,500          | 19 385,500                                        | 19 19                  | 100,000                        | 9 23,700              | 19                  | 14                                          | 6                            | 3                                                        | 1                                                                                         | 14  | 1  |
| North Dakota.....   | 35                      | 32 2,126,215          | 35 1,565,840                                      | 35 35                  | 430,982                        | 3 8,000               | 29                  | 15                                          | 2                            | 1                                                        | 1                                                                                         | 10  | 1  |
| Ohio.....           | 29                      | 28 1,577,000          | 29 567,000                                        | 29 29                  | 182,975                        | 3 8,000               | 29                  | 16                                          | 10                           | 2                                                        | 1                                                                                         | 10  | 1  |
| Oklahoma.....       | 25                      | 25 2,171,500          | 25 956,817                                        | 25 25                  | 305,833                        | 2 9,250               | 25                  | 21                                          | 7                            | 2                                                        | 1                                                                                         | 20  | 1  |
| Oregon.....         | 1                       | 1 365,500             | 1 629,125                                         | 1 21                   | 131,450                        | 1 1                   | 21                  | 12                                          | 6                            | 2                                                        | 2                                                                                         | 9   | 1  |
| Pennsylvania.....   | 21                      | 1 45,000              | 1 27,500                                          | 1 1                    | 8,000                          | 1 1                   | 1                   | 12                                          | 6                            | 2                                                        | 2                                                                                         | 9   | 1  |
| South Carolina..... | 1                       | 1 27,500              | 1 27,500                                          | 1 1                    | 8,000                          | 1 1                   | 1                   | 12                                          | 6                            | 2                                                        | 2                                                                                         | 9   | 1  |
| South Dakota.....   | 31                      | 27 1,133,000          | 30 826,000                                        | 20 20                  | 293,325                        | 4 21,500              | 30                  | 9                                           | 6                            | 4                                                        | 1                                                                                         | 13  | 4  |
| Tennessee.....      | 3                       | 3 242,500             | 3 60,000                                          | 3 3                    | 26,500                         | 3 3                   | 3                   | 9                                           | 6                            | 4                                                        | 1                                                                                         | 13  | 4  |
| Utah.....           | 1                       | 1 3,000,000           | 1 1,750,000                                       | 1 1                    | 262,500                        | 1 1                   | 1                   | 1                                           | 1                            | 1                                                        | 1                                                                                         | 1   | 1  |
| Virginia.....       | 1                       | 1 24,000              | 1 24,000                                          | 1 1                    | 10,000                         | 1 1                   | 1                   | 1                                           | 1                            | 1                                                        | 1                                                                                         | 1   | 1  |
| Wisconsin.....      | 64                      | 59 2,778,000          | 64 1,515,750                                      | 61 61                  | 410,899                        | 2 6,600               | 63                  | 20                                          | 1                            | 1                                                        | 5                                                                                         | 47  | 3  |
| 24                  | 823                     | 748 41,382,715        | 810 34,118,403                                    | 798 798                | 6,186,928                      | 108 390,534           | 804                 | 425                                         | 128                          | 77                                                       | 73                                                                                        | 498 | 21 |

★ Number of dealers giving amount of business.

NOTE 1.—X—Practically no advance in prices of Harvesting Machinery.

Y—Less advance in prices of Harvesting Machinery than in prices of other Agricultural Implements.

NOTE 2.—A—Handled competing Binders, Mowers or Rakes while handling I. H. C. line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## COMPETING LINE HANDLED

| Vol. | Page | DEALER             | TOWN            | Total Volume | Amount in Farm Implements, Vehicles and Twine | Amount in I. H. C. Goods | Amount in Harvesting Machinery | Dealers Handling Competing Binders, Mowers, Rakes or Twine, 1902-1913 (See Note) | COMPETING LINE HANDLED                                                                                     |
|------|------|--------------------|-----------------|--------------|-----------------------------------------------|--------------------------|--------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| XI   | 221  | Agnew, A. E.       | Stillman Valley | 25,000       | 15,500                                        | 4,000                    | 1,700                          | B                                                                                | Adriance Line (1913) Thomas s. d. rakes, Emerson rakes.                                                    |
| XI   | 173  | Altstrom, W. E.    | Virden          | 77,500       | 77,500                                        | 13,000                   |                                | B                                                                                | Plymouth twine.                                                                                            |
| XI   | 171  | Bailor, I. N.      | Clinton         | 32,500       | 11,000                                        | 1,500                    |                                | B & C                                                                            | Acme Line Standard mowers, Plymouth twine, No                                                              |
| X    | 409  | Baker, Joseph      | El Paso         | 27,500       | 20,000                                        | Very little              |                                | A & B                                                                            | I. H. C. binders.                                                                                          |
| X    | 405  | Bangston, E. D.    | Alexis          | 40,000       | 27,500                                        | 3,500                    |                                | B                                                                                | Acme Line (since 1911) Emerson mowers and rakes.                                                           |
| X    | 379  | Bass, T. B.        | Canton          | 35,000       |                                               | 4,750                    |                                |                                                                                  | Plymouth twine.                                                                                            |
| XI   | 274  | Beatty, J. M.      | Jerseyville     | 40,000       | 40,000                                        | 4,000                    |                                | B                                                                                | Standard mowers and rakes.                                                                                 |
| X    | 522  | Betz, A. H.        | Somonauk        | 40,000       | 40,000                                        | 9,500                    |                                | B                                                                                |                                                                                                            |
| XI   | 164  | Bishop, William W. | Virginia        | 30,000       | 30,000                                        | 5,500                    |                                |                                                                                  |                                                                                                            |
| X    | 471  | Brandt, F. W.      | Carmi           | 11,000       | 11,000                                        | 4,400                    |                                |                                                                                  |                                                                                                            |
| XI   | 418  | Brewer, M. P.      | Prophetstown    | 60,000       | 40,000                                        | 2,550                    |                                | A & B                                                                            | Acme Line Sterling rakes, Standard mowers (8 years).                                                       |
| X    | 550  | Britton, B. H.     | Elgin           | 35,000       | 35,000                                        | 8,500                    |                                |                                                                                  |                                                                                                            |
| XI   | 108  | Burgess, B. A.     | Essex           | 8,000        | 5,500                                         | 1,800                    |                                | B                                                                                | Acme Line (1913).                                                                                          |
| XI   | 102  | Burnham, F. H.     | Watseka         | 27,500       | 8,500                                         | 3,000                    |                                |                                                                                  | Standard mowers and Plymouth twine.                                                                        |
| XI   | 99   | Conrad, J. P.      | Monroe          | 10,000       | 10,000                                        | 2,000                    |                                | B                                                                                |                                                                                                            |
| X    | 540  | Cronin, D. G.      | Moore           | 52,000       | 40,000                                        | 4,000                    |                                |                                                                                  |                                                                                                            |
| XI   | 93   | De Long, Geo. A.   | Foosland        | 80,000       | 22,500                                        | 5,000                    |                                | B                                                                                | Dain mower (since 1912).                                                                                   |
| XI   | 406  | Dillbern, Henry S. | Milan           | 50,000       | 12,000                                        | 1,800                    |                                | B                                                                                | Dain mowers (1913).                                                                                        |
| XI   | 111  | Dillayou, S. E.    | Champaign       | 100,000      | 50,000                                        | 16,000                   |                                |                                                                                  |                                                                                                            |
| X    | 413  | Edmundson, C. M.   | Galesburg       | 50,000       | 50,000                                        | 5,000                    |                                | B                                                                                | Acme contract (1912), Plymouth and Peoria twine.                                                           |
| X    | 345  | Eggenberger, J. J. | Saukemin        | 50,000       | 15,000                                        | 5,800                    |                                | B                                                                                | Rude Bros. rakes, Plymouth twine.                                                                          |
| XI   | 276  | Evans, James S.    | Vandalia        | 30,000       | 30,000                                        | 6,000                    |                                | B                                                                                | Emerson rakes (1913), Buckeye mowers (Moline, 1913).                                                       |
| X    | 350  | Even, William      | Speer           | 30,000       | 20,000                                        | 5,000                    |                                | A & B                                                                            | Johnston Line (10 years).                                                                                  |
| XI   | 176  | Fearn, R. M.       | Palmyra         | 43,000       | 43,000                                        | 10,500                   |                                |                                                                                  |                                                                                                            |
| XI   | 145  | Frey, A. M.        | Edinburg        | 30,000       | 30,000                                        | 8,000                    |                                | B                                                                                | Sandwich, Sterling and Dayton s. d. rakes.                                                                 |
| X    | 528  | Haley, C. F.       | Marley          | 37,500       | 18,500                                        | 7,000                    |                                | B                                                                                | Standard mowers (1910), Johnston mowers (1912).                                                            |
| XI   | 105  | Harns, Fred H.     | Monmouth        | 26,000       | 26,000                                        | 5,250                    |                                | B                                                                                | Johnston corn binders (since 1911), Plymouth twine (since 1912).                                           |
| XI   | 256  | Hauschildt, H. P.  | Marengo         | 30,000       | 30,000                                        | 12,000                   |                                | A & B                                                                            | Emerson mowers and rakes, Crown mowers (8 or 10 years ago), C. B. & Q., Sterling and Sandwich s. d. rakes. |
| XI   | 392  | Holt, O. W.        | Geneseo         | 30,000       | 25,000                                        | 5,000                    |                                |                                                                                  |                                                                                                            |
| X    | 377  | Holt, C. F.        | Eden            | 30,000       | 20,000                                        | 4,000                    |                                | A & B                                                                            | Emerson mowers and rakes.                                                                                  |
| X    | 290  | Huston, A. B.      | Paris           | 32,500       | 16,500                                        | 5,500                    |                                |                                                                                  | Hocking Valley s. d. rakes.                                                                                |
| X    | 546  | Jencks, George A.  | Barrington      | 32,500       | 32,500                                        | 7,500                    |                                | B                                                                                | Standard mowers (1912-13).                                                                                 |
| X    | 524  | Kaffer, W. H.      | Minooka         | 95,000       | 45,000                                        | 19,000                   |                                | B                                                                                | Adriance Line (1913).                                                                                      |
| XI   | 155  | Kopplin, Gustav    | Atterberry      | 75,000       | 6,000                                         | 300                      |                                | B                                                                                |                                                                                                            |
| XI   | 138  | Leon, C. H.        | Decatur         | 65,000       | 40,000                                        | 4,000                    |                                |                                                                                  |                                                                                                            |



|    |     |                     |              |           |           |         |                |                                                                       |
|----|-----|---------------------|--------------|-----------|-----------|---------|----------------|-----------------------------------------------------------------------|
| XI | 246 | Lundberg, P. G.     | Kirkland     | 21,000    | 21,000    | 4,000   | B              | Dain mowers (since 1912), Deere s. d. rakes.                          |
| XI | 240 | Manley, Albert C.   | Harvard      | 145,000   | 35,000    | 8,000   | B              | Acme Line since 1911. Has handled Dain Line.                          |
| XI | 441 | Marshall, J. A.     | Manito       | 32,500    | 20,000    | 2,000   | B              | Emerson mowers and rakes, Plymouth twine.                             |
| XI | 359 | Mathews, L. G.      | Rushville    | 60,000    | 32,500    | 9,000   | B              | Emerson mowers, Plymouth twine.                                       |
| XI | 280 | McDougall, James D. | Sutherland   | 15,000    | 15,000    | 5,000   | A & B          | Emerson mowers and rakes (since 1896).                                |
| XI | 207 | McGlashan, Chas. G. | Rockford     | 35,600    | 23,000    | 6,500   | B              | Emerson mowers (since 1896).                                          |
| XI | 187 | Myers, O. T.        | Illtopolis   | 30,000    | 15,000    | 4,375   | B              | Acme Line (1912-13), Emerson mowers.                                  |
| XI | 337 | Nolan, M. H.        | Pontiac      | 50,000    | 50,000    | 5,000   | B              | Emerson mowers and rakes (last 3 years).                              |
| XI | 114 | Nordgren, C. A.     | Paxton       | 50,000    | 13,500    | 7,000   | B              | Deere s. d. rakes, Plymouth twine.                                    |
| XI | 364 | Passage, C. J.      | Smithshire   | 9,000     | 9,000     | 1,650   | B & C          | Sandwich s. d. rakes.                                                 |
| XI | 188 | Paul, Albert        | Carlinville  | 121,000   | 30,000    | 6,500   | B & C          | Plymouth twine.                                                       |
| XI | 519 | Pfingsten, H. F.    | Hampshire    | 40,000    | 40,000    | 18,500  | A & B          | Thomas mowers and rakes.                                              |
| XI | 417 | Purdy, W. C.        | Lewistown    | 36,000    | 19,000    | 3,166   | B              | Plymouth twine.                                                       |
| XI | 263 | Ralston, J. R.      | Caledonia    | 20,000    | 20,000    | 3,500   | B              | Dain and Sterling s. d. rakes.                                        |
| XI | 536 | Reed, Edward A.     | Ottawa       | 75,000    | 75,000    | 20,000  | B              | Acme Line, Peoria twine, La Crosse s. d. rakes.                       |
| XI | 219 | Robinson, John      | Poplar Grove | 19,000    | 19,000    | 6,000   | B              | Standard mowers (since 1912).                                         |
| XI | 458 | Shaw, Fred          | Mount Carmel | 45,000    | 45,000    | 6,000   | B              | Sterling s. d. rakes.                                                 |
| XI | 86  | Shumate, Chas. A.   | Rossville    | 13,500    | 13,500    | 4,500   | B              | Plymouth twine.                                                       |
| XI | 157 | Silking, A. W.      | Springfield  | 130,000   | 16,500    | 16,500  | B              | Dain and Sterling s. d. rakes.                                        |
| XI | 369 | Singlot, Geo. M.    | Warren       | 30,000    | 2,000     | 6,500   | B              | Acme Line, Peoria twine, La Crosse s. d. rakes.                       |
| XI | 213 | Stackpole, W. E.    | Elkhart      | 35,000    | 50,000    | 8,500   | B              | Standard mowers (since 1912).                                         |
| XI | 122 | Stearns, H. J.      | Belvidere    | 50,000    | 6,500     | 3,000   | B              | Sterling s. d. rakes.                                                 |
| XI | 212 | Talbot, Emory       | Rantoul      | 22,500    | 22,500    | 6,000   | B              | Plymouth twine.                                                       |
| XI | 265 | Tavener, A. S.      | Polo         | 40,000    | 40,000    | 7,000   | B              | Johnston corn binders (since 1912), Dain mowers and rakes since 1912. |
| XI | 120 | Thompson, W. E.     | Melvin       | 35,000    | 19,000    | 8,000   | B              | Johnston Line (last 4 years).                                         |
| XI | 233 | Walters, F. A.      | Woodstock    | 35,000    | 35,000    | 4,500   | B              | Acme Line (since 1911), Plymouth twine.                               |
| XI | 552 | Warne, J. H.        | Batavia      | 60,000    | 18,000    | 7,000   | A & B          | Standard mowers (18 years), Sandwich s. d. rakes.                     |
| XI | 269 | Watson, Fred P.     | Mount Vernon | 112,500   | 42,000    | 6,000   | B              |                                                                       |
| XI | 420 | Werckle, William A. | Peoria       | 30,000    | 28,000    | 1,000   | B              |                                                                       |
| XI | 215 | Wine, John W.       | Mount Morris | 15,000    | 15,000    | 7,000   | B              |                                                                       |
| XI | 543 | Wolf, L. J.         | Aurora       | 85,000    | 45,000    | 17,000  | B              |                                                                       |
| XI | 153 | Worcester, H. C.    | Roodhouse    | 123,000   | 50,000    | 12,500  | A & B          |                                                                       |
| XI | 161 | Yost, B. S.         | Shelbyville  | 32,500    | 20,000    | 6,000   | B              |                                                                       |
| XI | 167 |                     |              | 3,167,500 | 2,014,000 | 442,841 | 8 A, 44 B, 3 C |                                                                       |
|    |     |                     |              | ★ (67)    | ★ (69)    | ★ (68)  | ★ (6)          |                                                                       |
|    |     |                     |              | 69        |           |         |                |                                                                       |

★Number of dealers giving amount of business.

1. 68 dealers testified that there has been no coercion of dealers by I. H. Co.
2. 1 dealer testified that the dealer fixes prices of I. H. C. goods.
3. 1 dealer testified that I. H. C. machines have been improved since 1902.

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.

**B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1908-1913, inclusive.**

C—Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine), 1903–1913, inclusive.

## INDIANA

| Vol. | Page | DEALER                | TOWN            | Total Volume<br>Business | Amount in Farm<br>Implements,<br>Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                      |
|------|------|-----------------------|-----------------|--------------------------|-----------------------------------------------------|-----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| X    | 462  | Baumgartner, William. | Berne.          | 29,000                   | 15,000                                              | 3,700                       |                                      | B                                                                                                                 | Ohio rakes, Johnston mowers (1905-12), Plymouth twine.      |
| X    | 352  | Betzner, Carl.        | Peru            | 35,000                   | 20,000                                              | 4,000                       |                                      |                                                                                                                   |                                                             |
| X    | 71   | Bullert, V. H.        | Corydon         | 62,500                   | 62,500                                              | 8,500                       |                                      |                                                                                                                   |                                                             |
| X    | 531  | Curtis, Orrin M.      | Goshen          | 35,000                   | 15,000                                              | 4,000                       |                                      |                                                                                                                   |                                                             |
| X    | 303  | Emison, John W.       | Vincennes       | 250,000                  | 55,000                                              | 22,500                      |                                      | B                                                                                                                 | Emerson mowers, Deere rakes, Plymouth twine.                |
| X    | 76   | Gilstrap, J. W.       | Salem.          | 100,000                  | 25,000                                              | 10,000                      |                                      |                                                                                                                   |                                                             |
| X    | 518  | Heitschmidt, A. C.    | Michigan City.  | 88,500                   | 22,000                                              | 6,000                       |                                      | B                                                                                                                 | Wood mowers.                                                |
| X    | 505  | Leonard, J. B.        | Wakarusa        | 65,000                   | 27,500                                              | 9,000                       |                                      |                                                                                                                   |                                                             |
| X    | 516  | Lindahl, Al.          | South Bend      | 15,000                   | 33,000                                              | 4,000                       |                                      |                                                                                                                   |                                                             |
| X    | 491  | Marbaugh, John        | Monterey.       | 100,000                  | 33,000                                              | 11,000                      |                                      | B                                                                                                                 | Standard mowers (1913), Johnston corn binders (since 1912). |
| X    | 122  | Maxwell, A. H.        | Lowell          | 25,000                   | 25,000                                              | 8,500                       |                                      |                                                                                                                   |                                                             |
| X    | 117  | McCurty, J. R.        | Morocco.        | 15,000                   | 15,000                                              | 5,000                       |                                      | B                                                                                                                 | Plymouth twine.                                             |
| X    | 292  | Murray, D. R.         | Clinton         | 55,000                   | 15,000                                              | 3,500                       |                                      | B                                                                                                                 | Thomas mowers (1913), Peoria & Minn. Prison twine.          |
| X    | 90   | Opp, John R.          | Otterbein       | 43,000                   | 22,500                                              | 3,000                       |                                      | B                                                                                                                 | Standard mowers (since 1912).                               |
| X    | 525  | Scott, W. Q.          | Milford         | 23,000                   | 14,500                                              | 4,500                       |                                      |                                                                                                                   |                                                             |
| X    | 300  | Shelby, J. W.         | Lebanon         | 75,000                   | 11,000                                              | 6,000                       |                                      |                                                                                                                   |                                                             |
| X    | 307  | Soubrier, Benj. J.    | East Germantown | 17,500                   | 9,500                                               | 2,500                       |                                      | B                                                                                                                 | Johnston mowers and rakes, Dain rakes.                      |
| X    | 327  | Sumner, John          | Silver Lake     | 32,500                   | 16,000                                              | 2,750                       |                                      | B                                                                                                                 | Thomas rakes.                                               |
| X    | 481  | Tichenor, W. H.       | Owensville      |                          | 20,000                                              | 8,500                       |                                      | B                                                                                                                 |                                                             |
| X    | 310  | Tilley, Prentiss C.   | Brazil.         | 71,000                   | 15,000                                              | 4,000                       |                                      |                                                                                                                   |                                                             |
| X    | 495  | Tridle, E. P.         | Sidney          |                          | 7,000                                               | 2,500                       |                                      | B                                                                                                                 | Plymouth twine.                                             |
| X    | 513  | Varns, E.             | Middlebury      | 32,500                   | 16,250                                              | 2,750                       |                                      | B                                                                                                                 | Johnston Line (since 1910), Plymouth twine.                 |
| X    | 530  | Warner, C. L.         | South Bend.     | 15,000                   | 15,000                                              | 3,500                       |                                      | B                                                                                                                 | Wood Line.                                                  |
| X    | 507  | Zeck, Fred            | New Carlisle    | 60,000                   | 20,000                                              | 5,000                       |                                      | B                                                                                                                 | Plymouth twine.                                             |
|      |      |                       |                 | 1,244,500<br>★(22)       | 511,750<br>★(24)                                    | 146,700<br>★(24)            |                                      | 13 B                                                                                                              |                                                             |

24

★ Number of dealers giving amount of business.

1. 24 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 9 dealers testified that the dealer fixes prices of I. H. C. goods.



## IOWA - Continued

| Vol  | Page | DEALER               | TOWN          | Total Volume<br>Business | Amount in Farm<br>Implements<br>Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                         |  |
|------|------|----------------------|---------------|--------------------------|----------------------------------------------------|-----------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------|--|
|      |      |                      |               |                          |                                                    |                             |                                      |                                                                                               |                                                                |  |
| VIII | 414  | Lilly, Raymond       | Varina        | 20,000                   | 10,000                                             | 5,000                       | 500                                  | A & B                                                                                         | Standard mowers and rakes (25 years).                          |  |
| XI   | 12   | Little, J. H.        | Prairie City  | 35,000                   | 22,500                                             | 2,500                       |                                      | B                                                                                             | Emerson mowers (since 1912). Advance rakes (1913).             |  |
| XI   | 8    | Lonegan, J. W.       | Marengo       | 30,000                   | 30,000                                             | 6,000                       |                                      | B                                                                                             | Standard mowers (since 1909).                                  |  |
| XI   | 598  | Longley, O. G.       | Dows          | 35,000                   | 23,333                                             | 11,667                      |                                      | B                                                                                             | Thomas mowers.                                                 |  |
| V    | 234  | Loughran, S. L.      | Ames          |                          |                                                    |                             |                                      | B                                                                                             | Deere binders and mowers, Keystone mowers, Ludlow twine.       |  |
| V    | 718  | Lowe, W. D.          | Atlantic      | 70,000                   | 52,500                                             | 4,000                       |                                      | B                                                                                             | Dain and Emerson mowers.                                       |  |
| V    | 351  | Lyle, W. C.          | Adair         | 42,500                   | 42,500                                             | 6,000                       | 4,000                                | B                                                                                             | Emerson mowers and rakes.                                      |  |
| VIII | 401  | Matthe, P. A.        | Stanhope      | 27,500                   | 12,500                                             | 8,500                       |                                      | A & B                                                                                         | Emerson mowers and rakes.                                      |  |
| V    | 281  | Mattes, Joseph       | Odebolt       | 55,000                   | 30,250                                             | 10,500                      | 1,500                                | B                                                                                             | Standard mowers, Plymouth, Hooven and Nelson twine.            |  |
| V    | 649  | McCready, C. H.      | Macedonia     | 30,000                   | 25,000                                             | 3,000                       |                                      |                                                                                               |                                                                |  |
| V    | 413  | McDonough, John      | Oscola        | 27,500                   | 10,000                                             | 5,000                       |                                      |                                                                                               |                                                                |  |
| IX   | 384  | McHugh, O. J.        | Cresco        | 70,000                   | 60,000                                             | 21,000                      |                                      |                                                                                               |                                                                |  |
| XI   | 415  | McKinley, Bert       | Morning Sun   | 25,000                   | 12,500                                             | 1,800                       |                                      | A & B                                                                                         | Standard mowers (7 or 8 years).                                |  |
| XI   | 328  | McMahon, C. H.       | State Center  | 30,000                   | 16,250                                             | 4,000                       |                                      | B                                                                                             | Dain mowers and rakes (since 1911).                            |  |
| XI   | 700  | McMichael, J. W.     | Riverton      | 55,000                   | 25,000                                             | 3,500                       |                                      | B                                                                                             | Emerson mowers and rakes, Plymouth twine.                      |  |
| V    | 503  | McMillan, David      | Petersen      | 50,000                   | 50,000                                             | 10,000                      |                                      | B                                                                                             | Standard mowers.                                               |  |
| XI   | 348  | Meier, August        | Grundy Center | 40,000                   | 35,000                                             | 10,000                      |                                      | B                                                                                             | Dain mowers.                                                   |  |
| VIII | 512  | Meyer, H. C.         | Lake Park     | 20,000                   | 20,000                                             | 4,500                       |                                      | B                                                                                             | Sterling rakes.                                                |  |
| V    | 378  | Murphy, J. W.        | Sloan         | 25,000                   | 15,000                                             | 5,000                       |                                      | B                                                                                             | Acme Line.                                                     |  |
| XI   | 324  | Myers, C. H.         | Dike          | 13,500                   | 13,500                                             | 2,500                       |                                      | B                                                                                             |                                                                |  |
| XI   | 352  | Nelson, Nels         | Iowa Falls    | 35,000                   | 30,000                                             | 7,000                       |                                      |                                                                                               |                                                                |  |
| V    | 705  | Osterholm, August E. | Essex         | 40,000                   | 12,000                                             | 6,000                       |                                      |                                                                                               |                                                                |  |
| VIII | 386  | Pew, George E.       | Le Mars       | 40,000                   | 40,000                                             | 5,000                       |                                      | B                                                                                             | Acme line, Emerson mowers and rakes, Sterling rakes.           |  |
| XI   | 423  | Pitcher, Homer E.    | Spencer       | 20,000                   | 20,000                                             | 6,667                       |                                      |                                                                                               |                                                                |  |
| XI   | 582  | Reading, M. M.       | Churdan       | 40,000                   | 20,000                                             | 4,250                       |                                      | B                                                                                             | Emerson mowers and rakes (since 1912), C. B. & Q. s. d. rakes. |  |
| XI   | 352  | Richards, Thos. U.   | La Porte      | 55,000                   | 45,000                                             | 11,000                      |                                      | B                                                                                             | Peoria twine.                                                  |  |
| XI   | 566  | Ruge, F. F.          | Everly        | 20,000                   | 20,000                                             | 4,500                       |                                      | B                                                                                             | Acme line.                                                     |  |
| XI   | 346  | Ryan, Andrew C.      | Waterloo      | 300,000                  | 300,000                                            | 20,000                      |                                      | B                                                                                             | Advance binders (1913).                                        |  |
| XI   | 49   | Scheve, F. C.        | Sumner        | 27,500                   | 27,500                                             | 8,500                       |                                      | B                                                                                             |                                                                |  |
| XI   | 319  | Schlutz, A. C.       | Rembrandt     | 20,000                   | 20,000                                             | 5,000                       |                                      |                                                                                               |                                                                |  |
| XI   | 31   | Schnurr, C. W.       | New Hampton   | 60,000                   | 60,000                                             | 20,000                      |                                      | B                                                                                             | C. B. & Q. s. d. rakes.                                        |  |
| V    | 71   | Seabury, D. H.       | Logan         | 75,000                   | 75,000                                             | 20,625                      |                                      | A & B                                                                                         | Emerson mowers and rakes.                                      |  |
| XI   | 404  | Sewell, W. A.        | Lyons         | 27,500                   | 27,500                                             | 2,000                       |                                      | B                                                                                             | Acme line.                                                     |  |
| XI   | 37   | Sheehan, J. H.       | Claremont     | 40,000                   | 40,000                                             | 4,500                       |                                      | B                                                                                             | Standard mowers (1912-1913), C. B. & Q. s. d. rakes.           |  |
| V    | 311  | Smith, Wm. F.        | Winterset     | 30,000                   | 30,000                                             | 5,000                       |                                      | B                                                                                             | Crown mowers, Peoria twine.                                    |  |
| XI   | 28   | Snively, M. D.       | La Motte      | 32,500                   | 15,500                                             | 4,500                       |                                      | A & B                                                                                         | Emerson mowers and rakes (18 to 20 years).                     |  |

|          | Spence, R. H.    | Fairfield       | 35,000           | 35,000             | 5,400          | B             | Dain mowers, La Crosse, C. B. & Q. and Dain s. d. rakes.          |
|----------|------------------|-----------------|------------------|--------------------|----------------|---------------|-------------------------------------------------------------------|
| XI 445   |                  |                 |                  |                    |                |               |                                                                   |
| XII 316  | Sproul, M. H.    | Greene          | 90,000           | 45,000             | 6,500          | A & B         | Dain mowers (8 or 9 years).                                       |
| XII 572  | Staeb, Victor    | Wall Lake       | 30,000           | 30,000             | 7,500          | B             | Emerson mowers and rakes (since 1908).                            |
| V 178    | Stearns, F. D.   | Logan           | 70,000           | 22,500             | 4,500          | A & B         | Standard and Dain mowers.                                         |
| VI 206   | Steffy, George   | Victor          | 27,500           | 27,500             | 3,500          | A & B         | Emerson mowers and rakes (10 years), Plymouth twine.              |
| XI 395   | Streed, A. W.    | Middletown      | 47,500           | 22,500             | 4,500          | B             | Acme line (since 1908), Advance mower (1913), Emerson s. d. rake. |
| VIII 345 | Strubling, O. B. | Paton           | 22,500           | 12,500             | 5,000          | B             | Emerson mowers and rakes.                                         |
| V 247    | Tamises, V. S.   | Missouri Valley | 75,000           | 45,000             | 9,000          | A & B         | Acme line, Dain mowers, Plymouth twine.                           |
| XI 22    | Thomas, Ivo E.   | Oskaloosa       | 57,500           | 37,500             | 18,000         | B             | Emerson mowers and rakes (6 years).                               |
| IX 399   | Towner, W. J.    | Osage           | 120,000          | 120,000            | 40,000         | B             |                                                                   |
| VIII 421 | Washer, William  | Matlock         | 18,000           | 18,000             | 5,000          | B             | Acme line (last 4 years).                                         |
| V 361    | Webb, Frank      | Guthrie Center  | 70,000           | 35,000             | 11,667         | B             | Dain mowers.                                                      |
| XII 351  | Weber, Norman F. | Ackley          | 35,000           | 25,000             | 8,500          | B             | Acme line (since 1910), Emerson mower (since 1909).               |
| V 451    | Whiting, W. C.   | Whiting         | 88,000           | 78,000             | 10,500         | B             | Standard mowers, Acme hay tools.                                  |
| V 215    | Wilson, James    | Sac City        | 50,000           | 50,000             | 12,500         | A, B & C      | Acme mowers (1904-5), Emerson mowers and rakes, Plymouth twine.   |
| V 368    | Zimmerman, W. H. | Le Mars         |                  |                    |                |               |                                                                   |
|          |                  |                 | 4,242,000 ★ (85) | 3,446,083 ★ (94) † | 741,246 ★ (94) | 33,937 ★ (10) |                                                                   |
|          | 95               |                 |                  |                    |                |               |                                                                   |

★ Number of dealers giving amount of business.

1. 91 dealers testified that there has been no coercion of dealers by I H Co.

2. 44 dealers testified that the dealer fixes prices of I H C goods.

3. 3 dealers testified that there has been practically no advance in prices of harvesting machinery.

4. 8 dealers testified that there has been advance in prices of harvesting machinery than in prices of other agricultural implements.

5. 27 dealers testified that I H C machines have been improved since 1902.

6. 18 dealers testified that business conditions, repair and expert service have been better since 1902.

## KANSAS

|     |     |                    |            |         |        |        |       |                                                    |
|-----|-----|--------------------|------------|---------|--------|--------|-------|----------------------------------------------------|
| VII | 531 | Achterburg, A. E.  | Lincoln.   | 25,000  | 25,000 | 8,333  | B     | Acme line.                                         |
| VII | 125 | Allison, W. C.     | Muscatoh.  | 45,000  | 22,500 | 7,500  | B     | Prison twine (1912).                               |
| VII | 327 | Anderson, Roy E.   | Garnett.   | 25,000  | 25,000 | 3,000  | B     | Johnston line.                                     |
| VI  | 548 | Austin, W. A.      | Sylvia.    | 45,000  | 15,000 | 5,500  | B     | Deere rakes, Plymouth twine.                       |
| VII | 375 | Bachelor, J. G.    | Cuba.      | 40,000  | 20,000 | 7,500  | B     | Dain mowers.                                       |
| VI  | 745 | Beal, I. W.        | Moline.    | 40,000. | 25,000 | 12,500 | B     | Dain mowers.                                       |
| VII | 814 | Benton, L. R.      | Kiowa.     | 62,500  | 50,000 | 11,000 | B     | Dain mowers and rakes, Plymouth twine.             |
| VII | 522 | Bergman, Peter     | Beverly    | 27,000  | 27,000 | 8,000  | B     | Acme line.                                         |
| VII | 539 | Blanding, W. R.    | Barnard    | 47,500  | 28,500 | 8,550  | B     | Emerson mowers, Plymouth twine, no binders.        |
| VII | 293 | Blouch, Clint.     | Princeton. | 13,000  | 8,667  | 1,000  | B     | Acme line.                                         |
| VII | 369 | Browning, Frank A. | Webber.    | 18,000  | 12,000 | 2,000  | B     | Acme line (1906), Standard and Dain (1910) mowers. |
| VII | 452 | Casteen, W. F.     | Meade.     | 45,000  | 16,000 | 4,800  | B     |                                                    |
| VI  | 451 | Champlin, J. P.    | Canton.    | 35,000  | 20,000 | 5,000  | 1,100 |                                                    |
| VII | 703 | Clark, S. S.       | Caldwell.  | 40,000  | 25,000 | 12,500 |       |                                                    |

NOTE A—Handled competing binders, mowers or rakes while handling I H C line, 1903-1905 inclusive.

B—Handled competing binders, mowers, rakes or twine while handling I H C line, 1906-1913 inclusive.

C—Handled I H C binders, mowers and rakes and competing twine (and no I H C twine) 1903-1913 inclusive.

| Vol. | Page | DEALER             | TOWN           | Total Volume<br>Business | Amount in Farm<br>Implements,<br>Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                    |
|------|------|--------------------|----------------|--------------------------|-----------------------------------------------------|-----------------------------|--------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| VII  | 596  | Clayton, John A.   | Cherryvale     | 30,000                   | 12,500                                              | 7,000                       |                                      | A & B                                                                                        | Emerson mowers and rakes, Acme line.                      |
| VII  | 762  | Clift, C. R.       | Bluff City     | 50,000                   | 40,000                                              | 11,000                      |                                      | A & B                                                                                        | Dain mowers.                                              |
| VII  | 433  | Collier, T. J.     | Marquette      | 20,000                   | 11,000                                              | 3,500                       |                                      | A & B                                                                                        | Standard mowers and rakes.                                |
| VII  | 437  | Collins, Geo. W.   | Belleville     | 55,000                   | 20,000                                              | 5,000                       |                                      | A & B                                                                                        | Emerson mowers and rakes.                                 |
| VII  | 208  | Curtis, J. H.      | Denton         | 22,500                   | 12,000                                              | 3,750                       | 2,750                                | B                                                                                            | Emerson mowers and rakes.                                 |
| VII  | 738  | Dobyns, F. J.      | Howard         | 41,500                   | 19,000                                              | 6,000                       |                                      | B                                                                                            | Emerson mowers and rakes.                                 |
| VII  | 585  | Dunkerton, E. W.   | Bronson        | 55,000                   | 33,000                                              | 10,000                      |                                      | B                                                                                            | Standard mowers and rakes, Penitentiary twine.            |
| VII  | 421  | Dunton, L. H.      | Aradua         | 40,000                   | 15,000                                              | 3,750                       |                                      | B                                                                                            | Standard mowers and rakes (1912) Johnston binders (1909). |
| VII  | 319  | Dusenberry, E. A.  | Ludlow         |                          | 42,500                                              | 2,500                       | 925                                  | B                                                                                            | Acme line, Dain mowers.                                   |
| VII  | 773  | Edwards, Daniel O. | Hazelton       | 27,500                   | 15,500                                              | 6,000                       |                                      | B                                                                                            | Acme line, Dain mowers.                                   |
| VII  | 215  | English, W. E.     | Huron          | 12,000                   | 6,500                                               | 2,500                       | 3,250                                | B                                                                                            | Acme line (1910-12), Dain mowers (1908-12).               |
| VIII | 17   | Eskellson, S. C.   | Ramona         | 25,000                   | 25,000                                              | 6,875                       |                                      | B & C                                                                                        | Acme line, Plymouth twine (1910-11).                      |
| VII  | 416  | Evans, J. A.       | Cimarron       | 55,000                   | 24,750                                              | 9,000                       |                                      | B                                                                                            | Acme line, Dain and Bradley rakes.                        |
| VII  | 743  | Farmer, R. O.      | Anthony        |                          |                                                     |                             |                                      |                                                                                              | Independent line, Penitentiary twine.                     |
| VII  | 584  | Fawley, A. F.      | Milford        | 32,500                   | 7,000                                               | 3,500                       |                                      | B                                                                                            | Acme line (1913), Competing repairs (1910-11).            |
| VII  | 344  | Fitzgerald, J. T.  | Colby          | 100,000                  | 7,000                                               | 7,000                       | 275                                  | A & B                                                                                        | Acme line (32 years), Thomas mowers.                      |
| VII  | 397  | Frizzell, E. E.    | Larned         | 30,000                   | 18,000                                              | 5,500                       |                                      | B                                                                                            | Independent binders and mowers.                           |
| VII  | 758  | Geisendorf, L. S.  | Clearwater     | 50,000                   | 35,000                                              | 8,000                       |                                      | B                                                                                            | Emerson mowers and rakes.                                 |
| VII  | 571  | Gossard, O.        | Oswego         | 60,000                   | 24,000                                              | 8,000                       |                                      | B                                                                                            | Wood mowers (1911).                                       |
| VII  | 542  | Gray, Howard       | Saint John     |                          | 14,500                                              | 7,250                       |                                      | B                                                                                            | Acme line (1913), Competing repairs (1910-11).            |
| VII  | 401  | Griffith, H. A.    | Oberlin        |                          | 22,500                                              | 11,250                      |                                      | A & B                                                                                        | Acme line (32 years), Thomas mowers.                      |
| VII  | 849  | Hanson, J. O.      | McPherson      | 95,000                   | 22,500                                              | 6,000                       |                                      | B                                                                                            | Emerson mowers and rakes.                                 |
| VII  | 411  | Haskard, H. J.     | Partridge      | 32,000                   | 20,000                                              | 5,000                       |                                      | B                                                                                            | Acme line (since 1909).                                   |
| VII  | 358  | Haynes, L. D.      | Vining         | 22,500                   | 22,500                                              | 23,000                      | 2,750                                | B                                                                                            | Plymouth twine.                                           |
| VII  | 563  | Haynes, W. E.      | Emporia        | 300,000                  | 50,000                                              | 6,000                       |                                      | B                                                                                            | Acme line, Emerson mowers.                                |
| VII  | 687  | Heckman, P. F.     | Liberty        | 35,000                   | 11,000                                              | 5,833                       |                                      | A & B                                                                                        | Acme line, Dain mowers and rakes, Standard mowers.        |
| VII  | 323  | Heaney, Ed.        | Severance      | 35,000                   | 17,500                                              | 5,833                       |                                      | A & B                                                                                        | Acme line, Dain mowers and rakes, Standard mowers.        |
| VIII | 153  | Helvern, L. E.     | Beatrice       | 9,000                    | 9,000                                               | 1,750                       | 1,350                                | A & B                                                                                        | Acme line, Emerson mowers.                                |
| VII  | 417  | Hibbs, S. J.       | Atton          | 30,000                   | 20,000                                              | 4,500                       |                                      | A & B                                                                                        | Acme line, Dain mowers and rakes, Standard mowers.        |
| VII  | 447  | Hodgson, Fred      | Little River   | 30,000                   | 20,000                                              | 3,500                       |                                      | A & B                                                                                        | Acme line, Dain mowers and rakes, Standard mowers.        |
| VII  | 412  | Horney, Fred H.    | Brewster       | 25,000                   | 12,500                                              | 6,250                       |                                      | B                                                                                            | Dain mowers (last 4 years), Acme line (1912).             |
| VII  | 778  | Hubbard, W. H.     | Conway Springs | 30,000                   | 14,500                                              | 6,500                       |                                      | B                                                                                            | Dain and Emerson mowers, Competing repairs.               |
| VII  | 433  | Hursh, Russell     | Pratt          | 37,500                   | 23,500                                              | 5,750                       | 10,800                               | B                                                                                            | Emerson mowers and rakes, Dain mowers.                    |
| VII  | 349  | James, Ed.         | Beloit         | 90,000                   | 90,000                                              | 36,000                      |                                      | B                                                                                            | Acme line, Plymouth twine.                                |
| VII  | 515  | James, R. H.       | Delphos        | 30,000                   | 28,500                                              | 14,250                      |                                      | B                                                                                            |                                                           |
| VII  | 454  | Johnson, George    | Simpson        | 40,000                   | 10,000                                              | 5,000                       |                                      | B                                                                                            |                                                           |
| VII  | 789  | Jones, L. A.       | Attica         | 39,000                   | 25,000                                              | 5,000                       |                                      | B                                                                                            |                                                           |
| VII  | 407  | Kennedy, T. K.     | Haven          | 31,000                   | 18,500                                              | 8,000                       | 1,700                                | B                                                                                            |                                                           |

|      |     |                      |               |         |         |           |       |                                                                   |
|------|-----|----------------------|---------------|---------|---------|-----------|-------|-------------------------------------------------------------------|
| VII  | 385 | Kerchner, J. R.      | Herndon       | 18,000  | 7,000   | 3,500     |       |                                                                   |
| VII  | 534 | Kreamer, J. H.       | Ada           |         | 12,000  | 6,000     |       |                                                                   |
| VII  | 431 | Lease, M. B.         | Norton        | 35,000  | 17,500  | 6,250     | B     | Emerson mowers.                                                   |
| VI   | 843 | Linnibur, H. C.      | Goddard       | 40,000  | 30,000  | 10,000    |       |                                                                   |
| VII  | 481 | Lockstrom, J. A.     | Salina        | 35,000  | 25,000  | 12,000    | B     | Acme line (prior to 1913), Plymouth twine.                        |
| VII  | 556 | Loudon, Charles      | Chapman       | 40,000  | 20,000  | 6,500     |       |                                                                   |
| VII  | 334 | Mair, John           | Nortonville   | 67,500  | 30,000  | 6,500     |       |                                                                   |
| VII  | 91  | Manville, George     | Wathena       | 30,000  | 20,000  | 3,250     | 1,750 |                                                                   |
| VI   | 697 | Matthews, W. H.      | Clearwater    | 40,000  | 26,000  | 10,500    | B     | Plymouth twine.                                                   |
| VII  | 509 | Mayo, C. N.          | Culver        | 9,000   | 9,000   | 3,600     | B     | Emerson mowers and rakes.                                         |
| VII  | 61  | Meyer, Ernest        | Hiawatha      | 50,000  | 33,500  | 6,500     | B     | Standard mowers.                                                  |
| VIII | 55  | Mills, J. H.         | Della         | 17,500  | 17,500  | 3,000     |       |                                                                   |
| VII  | 477 | Miner, F. W.         | Burlingame    | 30,000  | 11,000  | 4,000     | B     | Standard and Wood mowers.                                         |
| VII  | 577 | Minick, G. W.        | Abilene       | 45,000  | 22,500  | 4,500     |       |                                                                   |
| VII  | 74  | Mishler, John H.     | Sabetha       | 75,000  | 45,000  | 6,500     | B     | Plymouth twine, Acme binders (1911).                              |
| VII  | 571 | Muenzenmeyer, Wm. F. | Junction City | 100,000 | 50,000  | 16,667    | B     | Plymouth twine.                                                   |
| VII  | 426 | Noone, W. P.         | Eunings       | 15,000  | 10,000  | 9,500     |       |                                                                   |
| VII  | 581 | Norquist, O.         | Clay Center   | 27,500  | 27,500  | 7,000     |       |                                                                   |
| VI   | 462 | Norris, R. M.        | Burdett       | 120,000 | 40,000  | 10,000    |       |                                                                   |
| VI   | 820 | Nuss, George         | Hosington     | 67,500  | 15,187½ | 2,060     |       |                                                                   |
| VII  | 519 | Nutting, W. W.       | Russell       | 30,000  | 16,500  | 6,000     |       |                                                                   |
| VII  | 406 | Obert, S. K.         | Miltonvale    | 37,500  | 22,000  | 8,000     | B     | Acme binders and mowers. Emerson mowers and rakes, Thomas mowers. |
| VIII | 157 | O'Neill, D. C.       | Axtell        |         | 8,500   | 3,000     | B     | Plymouth twine.                                                   |
| VII  | 457 | Ostrander, W. O.     | Bennington    | 19,000  | 19,000  | 5,000     | B     | Standard mowers and rakes, Acme line (1908.)                      |
| VI   | 749 | Powell, J. C.        | Eldorado      | 35,000  | 8,000   | 3,000     |       |                                                                   |
| VIII | 10  | Prescott, F. H.      | Peabody       | 125,000 | 40,000  | 10,000    | B     | Dain mowers, Johnston corn binders (1912).                        |
| VII  | 321 | Roberts, Len.        | Germanatown   | 30,000  | 7,500   | 2,400     | B     | Standard mowers.                                                  |
| VI   | 498 | Scandrett, M. H.     | Liberal       | 80,000  | 44,000  | 9,900     |       |                                                                   |
| VII  | 15  | Schrader, A. L.      | Elmo          | 25,000  | 12,000  | 5,000     | B     | Dan and Standard mowers.                                          |
| VII  | 423 | Schriner, L.         | Greenleaf     | 24,000  | 24,000  | 9,600     |       |                                                                   |
| VI   | 458 | Schulman, S.         | Garden City   | 45,000  | 20,000  | 9,000     |       |                                                                   |
| VII  | 220 | Seaville, A. L.      | Seneca        | 40,000  | 20,000  | 3,000     | B     | Competing twine.                                                  |
| VII  | 546 | Secrest, Wm. H.      | Randolph      | 65,000  | 25,000  | 7,000     |       |                                                                   |
| VIII | 30  | Seery, Harry         | Toneka        | 40,000  | 40,000  | 10,000    |       |                                                                   |
| VI   | 633 | Shannon, T. B.       | Iola          | 70,000  | 32,500  | 6,000     | A & B | Standard mowers and rakes, Dain mowers, Penitentiary twine.       |
| VII  | 381 | Shinkle, J. S.       | Kensington    | 27,500  | 13,500  | 4,000     | B     | Standard mowers.                                                  |
| VII  | 480 | Staggs, W. O.        | Rossville     | 22,500  | 12,000  | 2,000     | B     | Dain mowers.                                                      |
| VII  | 455 | Slattery, James      | Mayetta       | 36,000  | 18,000  | 5,000     | B     | Acme rakes and Dain mowers.                                       |
| VII  | 543 | Smith, Murray        | Clay Center   | 30,000  | 30,000  | 10,000    |       |                                                                   |
| VI   | 633 | Stall, L. A.         | Thayer        | 27,500  | 16,500  | 1,815     | B     | Sandwich twine (1912.)                                            |
| VII  | 34  | Sreizner, Otto       | Wamego        | 20,000  | 20,000  | 4,000     |       |                                                                   |
| VIII | 45  | Sterns, John         | Hiawatha      | 100,000 | 50,000  | 10,000    | B     | Emerson rakes.                                                    |
| VII  | 497 | Strowig, A. R.       | Paxton        | 25,000  | 25,000  | 7,000     | B     | Adriance line (1913.)                                             |
| VII  | 473 | Sundgren, Ebbie      | Falun         | 55,000  | 22,500  | Not given |       |                                                                   |
| VI   | 644 | Tannahill, G. H.     | Vernon        | 55,000  | 5,500   | 2,750     | B     | Johnston corn binders, Dain mowers.                               |
| VII  | 388 | Thomas, U. C.        | Atwood        | 31,000  | 18,600  | 9,300     | B     | Acme line, Dain mowers.                                           |

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes, and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## KANSAS - Continued

| Vol. | Page | DEALER           | TOWN         | Total Volume<br>Business | Amount in Farm<br>Implement, Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                  |
|------|------|------------------|--------------|--------------------------|-------------------------------------------------|-----------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| VII  | 253  | Tomlinson, James | Corning...   | 18,000                   | 6,000                                           | 2,500                       | 2,200                             | B                                                                                                                 | Dain mowers and rakes, Sandwich twine.                  |
| VII  | 470  | Tongish, L. L.   | Herdon...    | 25,000                   | 15,000                                          | 4,250                       | .....                             | B                                                                                                                 | Acme line, Dain rakes.                                  |
| VII  | 538  | Trembley, J. S.  | Arlington    | 55,000                   | 25,000                                          | 10,000                      | .....                             | B                                                                                                                 | Johnston corn binders, Penitentiary and Van Zandt twine |
| VII  | 581  | Trusler, Wm.     | Eskridge     | 100,000                  | 20,000                                          | 4,500                       | .....                             | B                                                                                                                 | Dain and Emerson mowers.                                |
| VII  | 784  | Tullis, J. O.    | Sedan        | 55,000                   | 50,000                                          | 13,500                      | .....                             | B                                                                                                                 | Standard mowers and rakes.                              |
| VII  | 365  | Tygart, J. M.    | Lebanon      | 38,000                   | 13,500                                          | 4,500                       | .....                             | B                                                                                                                 | Standard mowers.                                        |
| VII  | 637  | Wadhart, Chas    | Wes. Mineral | Not given                | Not given                                       | 27 3/4%                     | .....                             | B                                                                                                                 | Standard rakes and mowers.                              |
| VII  | 339  | Walker, A. F.    | Prairie View | 25,000                   | 8,000                                           | 4,000                       | .....                             | B                                                                                                                 | Acme line (1911 and supra), Competing repairs.          |
| VII  | 397  | Walker, Wm.      | Goodland     | .....                    | 11,000                                          | 3,250                       | .....                             | A & B                                                                                                             | Acme line (21 years.)                                   |
| VII  | 502  | Webster, C. E.   | Hill City    | 40,000                   | 19,000                                          | 5,000                       | .....                             | .....                                                                                                             | Johnston binders (1909).                                |
| VII  | 595  | Whitman, A. C.   | Independence | 27,500                   | 13,750                                          | 3,437 1/2                   | .....                             | B                                                                                                                 | Emerson mowers and rakes.                               |
| VII  | 211  | Wilcox, T. E.    | Barcroft     | 60,000                   | 7,500                                           | 2,000                       | 1,500                             | B                                                                                                                 | .....                                                   |
| VII  | 504  | Wiles, T. G.     | Cherokee     | 27,500                   | 13,750                                          | 6,875                       | .....                             | .....                                                                                                             | Deere rakes.                                            |
| VII  | 257  | Winzer, Oscar    | Troy         | 50,000                   | 25,000                                          | 7,500                       | 3,000                             | B                                                                                                                 | .....                                                   |
| VII  | 465  | Woolley, H. H.   | Osborne      | 80,000                   | 55,000                                          | 16,000                      | .....                             | .....                                                                                                             | .....                                                   |
|      |      | 113              |              | 4,490,500<br>★(101)      | 2,517,704<br>★(111)                             | 741,385<br>★(109)           | 44,650<br>★(19)                   | 7 A, 71 B                                                                                                         | .....                                                   |

★ Number of dealers giving amount of business.

1. 112 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 102 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 10 dealers testified that there has been practically no advance in prices of harvesting machinery.

4. 1 dealer testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.

5. 17 dealers testified that I. H. C. machines have been improved since 1902.

6. 7 dealers testified that business conditions, repair and expert service have been better since 1902.

## KENTUCKY

|    |    |                  |             |                 |                 |                |       |       |                                     |
|----|----|------------------|-------------|-----------------|-----------------|----------------|-------|-------|-------------------------------------|
| XI | 80 | Franklin, S. H.  | Glasgow     | 85,000          | 50,000          | 11,000         | ..... | ..... | Johnston and Wood Lines.            |
| XI | 82 | Grigsby, B. P.   | Bardstown   | 162,500         | 50,000          | 11,000         | ..... | B     | .....                               |
| XI | 83 | Mattingly, T. A. | Lebanon     | 62,500          | 6,000           | 6,000          | ..... | ..... | .....                               |
| XI | 73 | McClure, J. H.   | Springfield | 87,500          | 50,000          | 11,000         | ..... | B     | Wood mowers and rakes (since 1912.) |
| XI | 66 | Orr, J. L.       | Allensville | 107,500         | 30,000          | 10,000         | ..... | ..... | .....                               |
|    |    | 5                |             | 505,000<br>★(5) | 242,500<br>★(5) | 49,000<br>★(5) | ..... | 2 B   | .....                               |

★ Number of dealers giving amount of business.

1. 5 dealers testified that there has been no coercion of dealers by I. H. Co.



## MARYLAND

|     |     |                       |              |         |         |        |         |                                |
|-----|-----|-----------------------|--------------|---------|---------|--------|---------|--------------------------------|
| XII | 206 | Doyle, M. A.          | Westminster. | 50,000  | 40,000  | 11,500 | B       | Adriance line, 1913.           |
| XII | 214 | Folz, F. F.           | Hagerstown.  | 21,500  | 21,500  | 7,166  | A & B   | Thomas rakes (10 or 12 years). |
| XII | 231 | Naylor, A. D.         | Oakland.     | 32,500  | 20,000  | 5,500  |         |                                |
| XII | 219 | Pridue, Glen.         | Salisbury.   | 100,000 | 20,000  | 3,500  |         |                                |
| XII | 222 | Satterfield, Chas. M. | Chestertown. | 35,000  | 22,500  | 6,750  |         |                                |
|     |     |                       |              | 239,000 | 124,000 | 34,416 | 1 A 2 B |                                |
|     |     |                       |              | ★(5)    | ★(5)    | ★(5)   |         |                                |

★ Number of dealers giving amount of business.

1. 5 dealers testified that there has been no coercion of dealers by I. H. Co.
2. 1 dealer testified that the dealer fixes prices of I. H. Co. goods.

## MASSACHUSETTS

|     |   |                 |            |         |        |        |   |                                             |
|-----|---|-----------------|------------|---------|--------|--------|---|---------------------------------------------|
| XII | 8 | Ross, Walter D. | Worcester. | 300,000 | 60,000 | 11,000 | B | Adriance line, Allen rakes, Plymouth twine. |
|-----|---|-----------------|------------|---------|--------|--------|---|---------------------------------------------|

1. This dealer testified that he has never been coerced by the I. H. Co., that he fixes the price of I. H. Co. goods, that there has been practically no advance in prices of harvesting machinery, and that the I. H. Co. machines have been improved since 1902.

## MICHIGAN

|     |     |                  |             |         |        |        |       |                                                                                                        |
|-----|-----|------------------|-------------|---------|--------|--------|-------|--------------------------------------------------------------------------------------------------------|
| XII | 521 | Bachman, C. F.   | Three Oaks. | 16,000  | 16,000 | 5,000  | B     | Indiana Prison twine.                                                                                  |
| X   | 568 | Baldwin, Jay.    | New Haven.  | 225,000 | 27,500 | 5,500  | B     | Johnston line (since 1909), Sterling s. d. rakes.                                                      |
| X   | 492 | Barron, R. E.    | Howell.     | 64,000  | 45,000 | 14,500 | B     | Ohio rakes.                                                                                            |
| X   | 488 | Beebe, C. D.     | Osted.      | 25,000  | 25,000 | 12,500 | B     | Johnston line (since 1911), Thomas mowers (1913), Ohio rakes.                                          |
| X   | 484 | Benz, Victor G.  | Ann Arbor.  | 87,500  | 87,500 | 20,000 | B     | Wood mowers and rakes (since 1909).                                                                    |
| XII | 473 | Boylan, Otis H.  | Kalamazoo.  | 60,000  | 40,000 | 8,000  | A & B | Emerson mowers, 8 or 9 years, Plymouth twine.                                                          |
| XI  | 455 | Dannenberg, Wm.  | Allegan.    | 31,000  | 51,000 | 17,500 | B     | Thomas mowers and rakes, Dayton s. d. rakes.                                                           |
| XI  | 434 | Engram, Erastus. | Plainwell.  | 100,000 | 35,000 | 12,000 | A & B | Johnston line (7 or 8 years), Crown and Standard mowers (since 1908), Plymouth twine.                  |
| XII | 534 | Follmer, J. F.   | Vicksburg.  | 35,000  | 17,500 | 5,000  | B     | Dayton s. d. rakes.                                                                                    |
| X   | 503 | Foster, Edwin J. | Grass Lake. | 25,000  | 8,000  | 1,500  | B     | Johnston line, 6 or 7 years, Plymouth twine, Deere and Sterling s. d. rakes.                           |
| X   | 571 | Hahn, A. R.      | Utica.      | 40,000  | 16,000 | 4,500  | A & B | Johnston line (18 years).                                                                              |
| XI  | 451 | Hall, W. A.      | Hastings.   | 30,000  | 19,000 | 6,000  | B     | Wood line (since 1909), Ohio s. d. rakes.                                                              |
| X   | 532 | Holmes, W. J.    | Detroit.    | 37,500  | 29,000 | 1,500  | B     | Johnston binders (10 years), Wood line (10 or 15 years), Thomas and Rock Island rakes, Plymouth twine. |
| X   | 559 | Meacham, Wm. H.  | Holly.      | 27,500  | 5,000  | 1,750  |       |                                                                                                        |
| XI  | 448 | Nash, H.         | Lowell.     | 15,000  | 15,000 | 2,000  |       |                                                                                                        |
| XI  | 556 | Padley, T. H.    | Milford.    | 21,500  | 21,500 | 6,500  |       |                                                                                                        |
| XI  | 436 | Patterson, A.    | Martin.     | 25,000  | 12,500 | 4,500  | B & C | Johnston rakes, Plymouth twine.                                                                        |

NOTE A—Handled competing Binders, Mowers, or Rakes while handling I. H. C. Line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes, and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## MICHIGAN—Continued

| Vol. | Page | DEALER              | TOWN         | Total Volume<br>Business | Amount in Farm<br>Implement and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                                     |
|------|------|---------------------|--------------|--------------------------|---------------------------------------|-----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| X    | 496  | Payne, William E.   | Owosso       | 42,500                   | 42,500                                | 6,375                       | .....                                | A & B                                                                                                             | Dayton s. d. rakes (8 years), Dain rakes (previous to 1905, 7 or 8 years). |
| XI   | 453  | Purchase, J. F.     | Grand Rapids | 12,000                   | 12,000                                | 4,000                       | .....                                | .....                                                                                                             | .....                                                                      |
| XI   | 440  | Reisinger, J. S.    | Woodland     | 35,000                   | 35,000                                | 6,500                       | .....                                | .....                                                                                                             | .....                                                                      |
| X    | 575  | Reynolds, Sydney H. | Dundee       | 70,000                   | 25,000                                | 4,500                       | .....                                | B                                                                                                                 | Johnston line (since 1911), Deere s. d. rakes                              |
| X    | 499  | Taylor, Jason E.    | Mason        | 35,000                   | 35,000                                | 4,500                       | .....                                | B                                                                                                                 | Johnston line (last 7 years), Sterling rakes.                              |
| X    | 478  | Valentine, E. L.    | St. Johns    | 16,500                   | 16,500                                | 2,500                       | .....                                | A & B                                                                                                             | Walter A. Wood line.                                                       |
| X    | 474  | Wilcox, George A.   | Adrian       | .....                    | 35,000                                | 8,000                       | .....                                | .....                                                                                                             | .....                                                                      |
|      |      | 24                  |              | 1,086,000                | 671,500                               | 164,625                     | .....                                | 5A, 18B, 1C                                                                                                       | .....                                                                      |
|      |      |                     |              | ★(23)                    | ★(24)                                 | ★(24)                       |                                      |                                                                                                                   |                                                                            |

★ Number of dealers giving amount of business.

1. 24 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 2 dealers testified that the dealer fixes prices of I. H. Co. goods.

## MINNESOTA

|    |     |                   |               |           |           |        |       |       |                                                                                      |
|----|-----|-------------------|---------------|-----------|-----------|--------|-------|-------|--------------------------------------------------------------------------------------|
| IX | 218 | Anderson, A. B.   | Osakis        | 24,000    | 13,000    | 3,500  | ..... | B     | Acme binders, Dain mowers and rakes, Prison binders and mowers.                      |
| IX | 204 | Anderson, D. O.   | Cambridge     | 100,000   | 15,000    | 500    | ..... | B     | Prison line.                                                                         |
| X  | 1   | Anderson, Jens    | Windom        | 45,000    | 45,000    | 13,500 | 5,500 | B     | Acme line, Plymouth twine.                                                           |
| X  | 124 | Anderson, Tom     | Milan         | 90,000    | 35,000    | 17,000 | ..... | B     | Acme line, Plymouth twine.                                                           |
| IX | 131 | Babcock, E. P.    | Elk River     | 75,000    | 9,000     | 1,500  | ..... | ..... | .....                                                                                |
| IX | 250 | Beavers, W. L.    | Zumbrota      | 27,500    | 27,500    | 5,750  | ..... | ..... | .....                                                                                |
| IX | 163 | Benolken, Peter   | Freeport      | 21,000    | 30,000    | 10,000 | ..... | B     | Acme line (1913), Johnston corn binders (1912).                                      |
| IX | 114 | Bonde, P. F.      | Watson        | .....     | 7,000     | 3,250  | ..... | B     | Acme line, Prison twine.                                                             |
| IX | 156 | Bott, Fred        | Springfield   | 37,500    | 37,500    | 9,000  | ..... | B     | Minnesota Prison line, Johnston corn binders, Dain mowers and rakes, Plymouth twine. |
| IX | 150 | Boyer, H. A.      | Faribault     | Not given | Not given | None.  | ..... | B     | Deere line.                                                                          |
| IX | 105 | Bresnahan, P. W.  | De Graff      | 15,000    | 7,500     | 4,000  | ..... | B     | Acme line (1909), Acme rakes.                                                        |
| IX | 270 | Breyer, D. W.     | Kasson        | 35,000    | 35,000    | 10,000 | ..... | B     | Plymouth and Prison twine.                                                           |
| X  | 96  | Cassidy, Chas. H. | Jordan        | 45,000    | 17,500    | 1,750  | ..... | B     | Prison line (1913).                                                                  |
| X  | 118 | Chaggett, George  | Montivideo    | 35,000    | 13,000    | 7,000  | ..... | B     | Prison twine.                                                                        |
| X  | 188 | Cooper, Frank E.  | Vernon Center | 23,000    | 18,000    | 3,250  | ..... | B     | Minnesota Prison line.                                                               |
| IX | 171 | Cosgrove, C. S.   | Le Sueur      | 82,500    | 22,500    | 7,000  | ..... | B     | .....                                                                                |
| IX | 187 | Currier, J. O.    | Nicollet      | 6,500     | 6,500     | 2,000  | ..... | B     | .....                                                                                |

|      |     |                     |                       |         |        |           |       |                                                                                 |
|------|-----|---------------------|-----------------------|---------|--------|-----------|-------|---------------------------------------------------------------------------------|
| IX   | 167 | Davis, C. Roscoe.   | Cleveland.....        | 100,000 | 30,000 | 5,000     | B & C | Johnston binders (1911-12), Plymouth twine.                                     |
| IX   | 52  | Dempsey, C. J.      | Long Prairie.....     | 25,000  | 20,000 | 6,000     | C     | Plymouth twine.                                                                 |
| IX   | 324 | Dunford, J.         | Canton.....           | 19,000  | 19,000 | 5,500     | C     | Emerson mowers.                                                                 |
| IX   | 217 | Eich, Joseph A.     | Little Falls.....     | 31,500  | 31,500 | 7,000     | B     | Emerson mowers and rakes, Prison twine.                                         |
| IX   | 267 | Engel, Frank A.     | Hastings.....         | 35,000  | 19,000 | 7,000     | B     | Prison line, Thomas rakes.                                                      |
| X    | 206 | Fishby, H. C.       | Cyrus.....            | 25,000  | 9,000  | 3,000     | 750   | Plymouth twine.                                                                 |
| IX   | 236 | Fisher, E. W.       | Lewiston.....         | 29,000  | 20,000 | 7,500     | B     | Dain mowers and rakes, no binders.                                              |
| IX   | 113 | Gilbert, H. S.      | Pine River.....       | 19,000  | 11,000 | 4,000     | B     | Plymouth twine.                                                                 |
| IX   | 133 | Grell, Joseph H.    | Pierz.....            | 15,000  | 11,000 | 4,500     | B     | Thomas rakes, Prison and Plymouth twine, Prison binders.                        |
| X    | 202 | Haugen, C. D.       | Pelican Rapids.....   | 30,000  | 30,000 | 3,500     | B     | Acme binders, Crown mowers and rakes, Johnston binders.                         |
| X    | 62  | Hebeisen, John.     | Carver.....           | 15,500  | 15,500 | 4,000     |       | Prison twine.                                                                   |
| X    | 221 | Heine, H. C.        | Fairbault.....        | 26,500  | 26,500 | None.     | B     | Standard mowers.                                                                |
| IX   | 55  | Hermes, Peter.      | Browerville.....      | 17,500  | 17,500 | 6,000     | B     | Deere binders and mowers, Prison twine.                                         |
| VIII | 282 | Hewitt, John C.     | Nassau.....           | 15,000  | 15,000 | Not given | B     | Acme line.                                                                      |
| IX   | 102 | Hitter, F. C.       | Monticello.....       | 13,000  | 13,000 | 4,000     | B     | Prison line.                                                                    |
| IX   | 189 | Hodson, James       | Mankato.....          | 15,000  | 15,000 | 5,000     | B     | Minnesota Prison line.                                                          |
| IX   | 231 | Hynes, H. R.        | Rochester.....        | 42,500  | 15,000 | 9,000     | 7,500 | Prison line (1913), Prison twine (7 years), Emerson mowers and rakes (1909-10). |
| IX   | 417 | Iverson, Iver L.    | Badger.....           | 50,000  | 25,000 | 8,333     | B     | Prison line (1913).                                                             |
| X    | 199 | James, J. C.        | Lake Crystal.....     | 120,000 | 45,000 | 18,000    | B     | Acme line.                                                                      |
| X    | 265 | Johnson, Curtis M.  | Rush City.....        | 70,000  | 24,000 | 3,400     | B     | Dain rakes.                                                                     |
| IX   | 389 | Josselyn, George.   | Rochester.....        | 22,000  | 22,000 | 6,500     | B     | Acme line.                                                                      |
| IX   | 12  | Kelley, D. B.       | Truman.....           | 60,000  | 50,000 | 16,500    | B     | Prison line.                                                                    |
| X    | 99  | Kelly, James        | Breckenridge.....     | 25,000  | 12,000 | 5,000     | B     | Minnesota Prison line.                                                          |
| X    | 12  | Klobe, Herman       | Young America.....    | 35,000  | 7,000  | 4,000     | B     | Prison line (1913).                                                             |
| IX   | 283 | Korst, Frank        | Bird Island.....      | 32,500  | 22,500 | 8,000     | B     | Prison line (1913).                                                             |
| IX   | 262 | Korst, A. B.        | Norstrand.....        | 32,500  | 13,500 | 3,250     | B     | Emerson mowers and rakes (1909-10).                                             |
| IX   | 241 | Larsen, A.          | Lanesboro.....        | 30,000  | 30,000 | 10,000    | B     | Acme line.                                                                      |
| X    | 210 | Lynch, M. J.        | Dumont.....           | 33,000  | 27,500 | 3,500     | B     | Minnesota Prison line.                                                          |
| X    | 139 | Lyons, J. A.        | Prior Lake.....       | 18,000  | 6,000  | 4,000     | B     | Johnston corn binders.                                                          |
| IX   | 137 | Lynch, P. C.        | Foreston.....         | 17,500  | 5,000  | 1,100     | B     | Minnesota Prison line.                                                          |
| IX   | 61  | Marckel, A.         | Perham.....           | 87,500  | 27,500 | 5,000     | B     | Prison line (1913).                                                             |
| IX   | 126 | Marshall, C. D.     | Sauk Centre.....      | 22,500  | 22,500 | 11,500    | B     | Acme line.                                                                      |
| IX   | 194 | Maylott, A. J.      | Hancock.....          | 24,000  | 24,000 | 4,800     | B     | Minnesota Prison line.                                                          |
| IX   | 223 | McClintock, W. E.   | Owatonna.....         | 32,000  | 27,500 | 14,000    | B     | Johnston corn binders.                                                          |
| IX   | 151 | McGrath, John       | Barnesville.....      | 32,000  | 32,000 | 9,500     | B     | Minnesota Prison binders and mowers, Emerson mowers                             |
| IX   | 153 | McLoone, John       | Waseca.....           | 13,500  | 50,000 | 10,000    | B     | Prison Line (1911-12.)                                                          |
| IX   | 144 | McRae, J. J.        | Swanville.....        | 32,500  | 13,500 | 4,500     | B     | Prison Line (1911-12.)                                                          |
| IX   | 130 | McLoughlin, George. | Olivia.....           | 32,500  | 22,500 | 12,500    | B     | Prison Line (1911-12.)                                                          |
| IX   | 200 | Meyer, G. A.        | Lake Elmo.....        | 37,500  | 37,500 | 8,500     | B     | Prison Line (1911-12.)                                                          |
| IX   | 70  | Miller, J. H.       | Big Lake.....         | 10,000  | 10,000 | 3,000     | B     | Prison Line (1911-12.)                                                          |
| VIII | 313 | Miller, Oscar       | Porter.....           | 32,500  | 12,000 | 7,500     | B     | Prison Line (1911-12.)                                                          |
| IX   | 246 | Miller, Peter.      | Rushford.....         | 25,000  | 25,000 | 9,000     | B     | Prison Line (1911-12.)                                                          |
| X    | 108 | Miller, T. F.       | Plato.....            | 16,500  | 11,500 | 4,500     | B     | Acme binders and mowers, Minnesota Prison line, Plymouth twine.                 |
| IX   | 180 | Morton, Edwin       | Blooming Prairie..... | 50,000  | 25,000 | 13,000    | B     | Acme binders and mowers, Minnesota Prison line, Plymouth twine.                 |

NOTE—A—Handled competing Binders, Mowers or Rakes while handling I. H. C. line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

| Vol. | DEALER              | TOWN              | Total Volume<br>Business | Amount in Farm<br>Implement, Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                       |
|------|---------------------|-------------------|--------------------------|-------------------------------------------------|-----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| IX   | Murray, W. A.       | Austin            | 80,000                   | 80,000                                          | 26,667                      |                                      | B                                                                                                                 | Dain rakes.                                                  |
| IX   | Nehring, A. W.      | Paynesville       | 20,000                   | 20,000                                          | 5,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Nelson, A. W.       | Parkers Prairie   | 13,000                   | 13,000                                          | 6,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Norheim, Olaf       | Montivideo        | 32,000                   | 3,000                                           | 4,000                       |                                      | B                                                                                                                 | Acme line, Johnston corn binders, Prison and Plymouth twine. |
| IX   | O'Brien, P.         | Norwood           | 32,500                   | 32,500                                          | 8,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Oleson, John L.     | North Branch      | 17,500                   | 8,000                                           | 1,200                       |                                      | B & C                                                                                                             | Minnesota Prison line.                                       |
| IX   | Olson, Andrew       | Ashby             | 10,000                   | 10,000                                          | 1,800                       |                                      | B                                                                                                                 | Dain mowers, Plymouth twine.                                 |
| IX   | Olson, Martin       | Brandon           | 30,000                   | 10,000                                          | 3,000                       |                                      | B & C                                                                                                             | Minnesota Prison line.                                       |
| IX   | Owen, Rasmus        | Thief River Falls | 302,000                  | 60,000                                          | 15,000                      |                                      | B                                                                                                                 | Dain mowers, Plymouth twine.                                 |
| IX   | Palm, Walford J.    | Kingston          | 15,000                   | 15,000                                          | 5,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Peabody, C. E.      | Brainerd          | 17,000                   | 17,000                                          | 4,250                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| VIII | Pilling, A.         | Edgerton          | 50,000                   | 10,000                                          | 6,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Pound, C. L.        | Owatonna          | 45,000                   | 45,000                                          | 16,000                      |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Powell, W. F.       | Warren            | 50,000                   | 50,000                                          | 11,000                      | 250                                  |                                                                                                                   | Minnesota Prison line.                                       |
| IX   | Powers, John        | Murdock           | 34,000                   | 9,000                                           | 4,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Purdy, Geo. S.      | Winona            | 34,000                   | 34,000                                          | 20,000                      |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Quinn, Wm           | Waverly           | 45,000                   | 45,000                                          | 9,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Schmauss, John      | Lake City         | 20,000                   | 20,000                                          | 6,667                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Schroeder, Chas. C. | St. Paul          | 20,000                   | 9,500                                           | 6,650                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Sheaff, W. H.       | Stillwater        | 20,000                   | 10,000                                          | 5,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Simpson, W. A.      | Castle Rock       | 21,000                   | 8,000                                           | 4,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Sitz, A. J.         | New York Mills    | 30,000                   | 20,000                                          | 8,000                       |                                      | A & B                                                                                                             | Minnesota Prison line.                                       |
| IX   | Snell, A. F.        | Lake Park         | 30,000                   | 27,500                                          | 7,000                       |                                      | A & B                                                                                                             | Minnesota Prison line.                                       |
| IX   | Spaulding, C. L.    | Kimball           | 27,500                   | 20,000                                          | 6,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Stone, A. A.        | Morris            | 30,000                   | 65,000                                          | 47,500                      |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Stone, Walter P.    | Crookston         | 75,000                   | 15,500                                          | 8,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Thesen, N. J.       | Albany            | 15,500                   | 39,000                                          | 7,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Tiedt, Fred         | Argyle            | 93,000                   | 30,000                                          | 7,000                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Turner, L. E.       | Aitkin            | 30,000                   | 40,000                                          | 10,000                      |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Tyrolm, J. A.       | New Richmond      | 82,500                   | 16,500                                          | 4,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Wackman, Caspar     | Detroit           | 52,500                   | 19,000                                          | 6,500                       |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| IX   | Wenner, N. C.       | Cold Springs      | 75,000                   | 32,500                                          | 12,000                      |                                      | B                                                                                                                 | Minnesota Prison line.                                       |
| VIII | Wilcox, W. T.       | Redwood Falls     | 75,000                   | 57,500                                          | 9,000                       |                                      | A & B                                                                                                             | Minnesota Prison line.                                       |
| IX   | Wise, Fred J.       | Minneapolis       | 57,500                   | 57,500                                          | 9,000                       |                                      | A & B                                                                                                             | Minnesota Prison line.                                       |
|      | 96                  |                   | ★(84)                    | 2,211,500                                       | 695,117                     | 21,100                               | 2A, 51B, 3C                                                                                                       | Minnesota Prison line.                                       |
|      |                     |                   | ★(84)                    | ★(94)                                           | ★(92)                       | ★(6)                                 |                                                                                                                   | Minnesota Prison line.                                       |

★ Number of dealers giving amount of business.

1. 93 dealers testified that there has been no coercion of dealers by the I. H. Co.

2. 18 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 8 dealers testified that there has been practically no advance in prices of harvesting machinery.

4. 8 dealers testified that there has been advance in prices of reaping and threshing machinery then in prices of other agricultural implements.

5. 8 dealers testified that I. H. C. machines have been improved since 1902.



## MISSOURI—Continued

| Vol. | Page | DEALER               | TOWN           | Total Volume<br>Business | Amount in Farm<br>Implementa,<br>Vehicles and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                                   |  |
|------|------|----------------------|----------------|--------------------------|-----------------------------------------------------|-----------------------------|--------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--|
|      |      |                      |                |                          |                                                     |                             |                                      |                                                                                              |                                                                          |  |
| VII  | 142  | Munn, J. A.          | Gallatin       | 35,500                   | 21,000                                              | 5,250                       |                                      | B                                                                                            | Emerson mowers and rakes.                                                |  |
| VII  | 276  | Martin, E. D.        | Lathrop        | 15,000                   | 10,000                                              | None.                       |                                      |                                                                                              | Acme and Johnston lines, Plymouth twine.                                 |  |
| VIII | 69   | Matthews, C. D., Jr. | Sikeston       | 500,000                  | 80,000                                              | 13,000                      |                                      |                                                                                              | Johnston line.                                                           |  |
| VIII | 110  | Max, Louis           | Union          | 17,500                   | 8,750                                               | 2,500                       |                                      | B                                                                                            | Plymouth twine, Standard mowers, Thomas rakes<br>(prior to 1909).        |  |
| VII  | 156  | McMahon, E. R.       | Fairfax        | 40,000                   | 25,000                                              | 5,000                       | 2,000                                | B                                                                                            | Sandwich twine.                                                          |  |
| VII  | 205  | McNaul, Geo. L.      | Maitland       | 40,000                   | 7,500                                               | 2,250                       | 2,250                                | B                                                                                            | Thomas rakes.                                                            |  |
| VII  | 223  | Mollenkamp, E. W.    | Higginsville   | 75,000                   | 70,000                                              | 15,000                      |                                      | B                                                                                            | Plymouth twine (prior to 1911).                                          |  |
| VIII | 115  | Munro, J. M.         | Cuba           | 25,000                   | 13,750                                              | 3,093.75                    |                                      | B                                                                                            | Standard mowers.                                                         |  |
| VIII | 181  | Nelson, James M.     | Republic       | 22,500                   | 8,000                                               | 3,000                       |                                      | B                                                                                            | Deere rakes.                                                             |  |
| VIII | 138  | Neyer, Charles A.    | Billings       | 40,000                   | 15,000                                              | 6,500                       | 2,000                                | B                                                                                            | Emerson and Dain mowers and rakes, Plymouth,<br>Hooven and Nelson twine. |  |
| VII  | 330  | Nise, P. H.          | Moberly        | 22,500                   | 11,000                                              | 3,000                       |                                      | B                                                                                            |                                                                          |  |
| VIII | 161  | Oldham, John         | Fair Play      | 32,500                   | 9,000                                               | 3,500                       | 7,500                                | B                                                                                            |                                                                          |  |
| VII  | 511  | Pemberton, E. R.     | Marshall       | 112,500                  | 112,500                                             | 19,687.50                   |                                      |                                                                                              |                                                                          |  |
| VII  | 146  | Phillips, W. D.      | Trenton        | Not given                | 5,500                                               | 2,500                       |                                      |                                                                                              |                                                                          |  |
| VII  | 297  | Powell, James        | Richmond       | 27,500                   | 20,000                                              | 5,000                       |                                      | A & B                                                                                        | Emerson and Thomas rakes.                                                |  |
| VII  | 179  | Price, T. L.         | Oregon         | 20,000                   | 2,750                                               | 1,900                       |                                      | B                                                                                            | Thomas rakes.                                                            |  |
| VII  | 149  | Proctor, Edward T.   | Gall           | 22,500                   | 15,000                                              | 1,750                       | 1,300                                | B                                                                                            | Dain mowers and rakes.                                                   |  |
| VII  | 268  | Rabius, G. H.        | Mayview        | 13,500                   | 6,500                                               | 1,900                       |                                      | B                                                                                            | Wood mowers and rakes, Thomas rakes.                                     |  |
| VII  | 170  | Rankin, W. M.        | Tarkio         | 40,000                   | 13,000                                              | 2,750                       | 1,000                                | B                                                                                            | Standard mowers (1912).                                                  |  |
| VII  | 186  | Redfern, W. E.       | Bois D'Arc     | 20,000                   | 8,000                                               | 2,250                       |                                      | B & C                                                                                        | Plymouth twine, Acme line (1913).                                        |  |
| VIII | 72   | Ringe, Louis         | St. Charles    | 87,000                   | 30,000                                              | 7,000                       |                                      |                                                                                              |                                                                          |  |
| VIII | 33   | Robertson, George W. | Nevada         | 37,500                   | 30,000                                              | 5,000                       |                                      |                                                                                              |                                                                          |  |
| VI   | 613  | Robinson, J. B.      | Jefferson City | 75,000                   | 47,500                                              | 10,000                      |                                      | B                                                                                            | Johnston line.                                                           |  |
| VIII | 90   | Rodeman, John H.     | Rodeman        | 45,000                   | 20,000                                              | 6,000                       |                                      |                                                                                              | Dain mowers and rakes, Wood and Standard mowers,<br>Moline rakes.        |  |
| VIII | 62   | Rood, H. O.          | Auxvasse       | 47,500                   | 25,000                                              | 7,000                       |                                      | B                                                                                            |                                                                          |  |
| VII  | 98   | Roof, A. J.          | Parnell        | 37,500                   | 26,500                                              | 9,000                       |                                      |                                                                                              |                                                                          |  |
| VIII | 82   | Roth, James S.       | California     | 17,500                   | 17,500                                              | 2,500                       |                                      |                                                                                              |                                                                          |  |
| VII  | 280  | Rumpel, W. J.        | Weston         | 37,500                   | 16,000                                              | 5,000                       |                                      |                                                                                              |                                                                          |  |
| VII  | 134  | Schneider, E. L.     | Avenue City    | 20,000                   | 10,000                                              | 3,000                       | 2,000                                |                                                                                              |                                                                          |  |
| VIII | 25   | Schneider, George    | St. Peters     | 30,000                   | 15,000                                              | 5,000                       |                                      |                                                                                              |                                                                          |  |
| VIII | 201  | Schulte, J. L.       | Fredericktown  | 65,000                   | 11,000                                              | 2,750                       |                                      | B                                                                                            | Johnston twine.                                                          |  |
| VII  | 201  | Sewell, John H.      | Maryville      | 60,000                   | 60,000                                              | 3,750                       | 2,500                                | B                                                                                            | Dain and Standard mowers.                                                |  |
| VIII | 232  | Shaffner, F. M.      | Bolivar        | 67,500                   | 32,500                                              | 9,000                       |                                      |                                                                                              |                                                                          |  |
| VII  | 124  | Skinner, H. D.       | Braymer        | 65,000                   | 20,000                                              | 3,750                       | 2,000                                | B                                                                                            | Emerson mowers and rakes.                                                |  |
| VI   | 609  | Sparling, J. R.      | Lantana        | 50,000                   | 9,000                                               | 2,475                       |                                      |                                                                                              |                                                                          |  |

|      |     |                    |             |                    |                    |                  |                 |              |                                                             |
|------|-----|--------------------|-------------|--------------------|--------------------|------------------|-----------------|--------------|-------------------------------------------------------------|
| VIII | 77  | Spillman, James A. | Rolla       | 55,000             | 17,500             | 8,000            | 5,200           | B            | Standard mowers, Plymouth twine.                            |
| VII  | 311 | Stanton, Hugh      | Union Star  | 50,000             | 25,000             | 8,500            | 3,000           | B            | Dain mowers and rakes, competing repairs.                   |
| VIII | 1   | Taylor, J. M.      | Columbia    | 77,500             | 31,000             | 4,500            |                 | B            | Dain and Standard mowers.                                   |
| VII  | 246 | Terlune, Ben       | Mound City  | 55,000             | 43,500             | 9,000            |                 | B            | Dain mowers.                                                |
| VII  | 193 | Vogt, Julius       | Concordia   | 35,000             | 23,500             | 6,000            | 2,500           | B            | Johnston rakes and twine.                                   |
| VII  | 306 | Wade, J. G.        | Monroe City | 67,500             | 32,750             | 8,000            |                 | B            |                                                             |
| VIII | 179 | Wheeler, Montie    | Everson     | 5,000              | 2,750              | 4,500            |                 |              |                                                             |
| VII  | 50  | Wilder, A. R.      | Clinton     | 30,000             | 30,000             | 1,200            | 1,500           | B            | Acme line.                                                  |
| VII  | 163 | Wilder, E. W.      | Altamont    | 20,000             | 5,000              | 4,000            |                 | B            | Sandwich twine.                                             |
| VIII | 166 | Wilkening, W. J.   | Odessa      | 25,000             | 11,000             | 2,250            |                 | B            | Acme line, Emerson mowers and rakes, Johnston corn binders. |
| VII  | 494 | Wright, R. L.      | Archie      | 35,000             | 8,000              |                  |                 |              |                                                             |
|      |     | 88                 |             | 4,015,500<br>★(82) | 1,786,000<br>★(87) | 408,764<br>★(85) | 58,150<br>★(24) | 3 A, 56B, 2C |                                                             |

## ★Number of dealers giving amount of business.

- 83 dealers testified that there has been no coercion of dealers by the I. H. Co.
- 76 dealers testified that the dealer fixes prices of I. H. C. goods.
- 1 dealer testified that there has been practically no advance in prices of harvesting machinery.
- 2 dealers testified that I. H. C. machines have been improved since 1902.
- 9 dealers testified that business conditions, repair and expert service have been better since 1902.

## MONTANA

|    |     |                  |            |                 |                 |                |  |     |                                                                          |
|----|-----|------------------|------------|-----------------|-----------------|----------------|--|-----|--------------------------------------------------------------------------|
| IX | 517 | Ulmer, George H. | Miles City | 100,000         | 33,333          | 10,000         |  |     | Johnston line (prior to 1913), Emerson mowers and rakes, Plymouth twine. |
| X  | 385 | Yates, John R.   | Billings   | 100,000         | 140,000         | 10,000         |  | B   |                                                                          |
|    |     | 2                |            | 100,000<br>★(1) | 473,333<br>★(2) | 20,000<br>★(2) |  | 1 B |                                                                          |

## ★Number of dealers giving amount of business.

- 2 dealers testified that there has been no coercion of dealers by I. H. Co.
- 1 dealer testified that there has been practically no advance in prices of harvesting machinery.
- 1 dealer testified that I. H. C. machines have been improved since 1902.
- 1 dealer testified that business conditions, repair and expert service have been better since 1902.

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.  
 B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1906-1913, inclusive.  
 C—Handled I. H. C. Binders, Mowers and Rakes, and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## NEBRASKA

| Vol. | Page | DEALER               | TOWN            | Total Volume | Amount in Farm Implements and Twine | Amount in I. H. C. Goods | Amount in Harvesting Machinery | Dealers Handling I. H. C. Line and Competing Rakes or Twine, 1902-1913 (See Note) | COMPETING LINE HANDLED                                                |
|------|------|----------------------|-----------------|--------------|-------------------------------------|--------------------------|--------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| V    | 128  | Anderson, A. P.      | St. Paul        | 85,000       | 27,000                              | 13,500                   | 8,000                          | B                                                                                 | Acme binders, mowers and rakes.                                       |
| VII  | 462  | Austin, F. A.        | Herdley         | 50,000       | 6,000                               | 3,000                    |                                | B                                                                                 | Emerson mowers.                                                       |
| V    | 533  | Ayres, Edward A.     | Fairbury        | 60,000       | 50,000                              | 11,250                   | 5,625                          | A & B                                                                             | Dain mowers.                                                          |
| V    | 521  | Bevline, Henry       | Papillon        | 16,500       | 16,500                              | 5,500                    |                                | B                                                                                 |                                                                       |
| V    | 574  | Belcher, William     | York            | 17,500       | 17,500                              | 4,375                    |                                |                                                                                   |                                                                       |
| V    | 467  | Bender, Jacob        | Sutton          | 70,000       | 70,000                              | 12,000                   | 9,000                          | A                                                                                 | Emerson mowers.                                                       |
| V    | 732  | Brennan, John        | Burr            | Not given    | Not given                           | Not given                |                                | A                                                                                 | Acme Line, Plymouth twine, Standard mowers.                           |
| V    | 304  | Buck, W. H.          | Gibbon          | 42,500       | 12,500                              | 2,500                    |                                |                                                                                   |                                                                       |
| V    | 208  | Bunz, Gust           | Bennington      | 25,000       | 25,000                              | 8,333                    |                                |                                                                                   |                                                                       |
| VII  | 54   | Butterfield, Fred F. | Humboldt        | 40,000       | 35,000                              | 7,500                    | 1,500                          | A & B                                                                             | Emerson mowers (10 years), Tiger rakes.                               |
| VI   | 119  | Callan, T. R.        | Odell           | 25,000       | 17,000                              | 4,958                    |                                |                                                                                   | Plymouth twine, Acme binders, mowers and rakes.                       |
| VI   | 110  | Chapman, C. D.       | Giltner         |              |                                     | None                     |                                |                                                                                   | Dain mowers and rakes.                                                |
| VI   | 30   | Cherny, John         | North Bend      | 60,000       | 32,500                              | 5,500                    | 4,000                          | A                                                                                 | Standard mowers and rakes, Plymouth twine, Acme mowers (193-05).      |
| V    | 189  | Coates, W. N.        | Stuart          | 50,000       | 40,000                              | 10,000                   |                                | B                                                                                 | Standard mowers and rakes.                                            |
| V    | 408  | Coburn, D. D.        | Laurel          | 70,000       | 70,000                              | 21,000                   |                                |                                                                                   |                                                                       |
| VI   | 56   | Cook, W. L.          | Beaver Crossing | 22,500       | Not given                           | 50% of Imple-ments       |                                |                                                                                   |                                                                       |
| V    | 553  | Dahl, J. P.          | Staplehurst     | 17,000       | 4,500                               | 3,500                    |                                |                                                                                   | Emerson mowers.                                                       |
| V    | 139  | Dyer, A. W.          | Exeter          | 40,000       | 40,000                              | 8,000                    | 4,000                          | B                                                                                 | Emerson mowers and rakes.                                             |
| V    | 335  | Eckenkamp, Fred      | Arlington       | 40,000       | 25,000                              | 4,000                    |                                | B                                                                                 | Emerson mowers.                                                       |
| V    | 133  | Fitzsimmons, G. W.   | Scotts          | 30,000       | 30,000                              | 10,000                   | 6,000                          | A                                                                                 |                                                                       |
| V    | 66   | Ford, W. N.          | Rushville       | 15,500       | 15,500                              | 5,167                    | 5,167                          |                                                                                   |                                                                       |
| V    | 417  | Francis, F. E.       | Carroll         | 43,000       | 32,250                              | 7,256 1/2                |                                | B                                                                                 | Standard mowers, Plymouth twine.                                      |
| V    | 195  | Gaines, A. F.        | Newport         | 60,000       | 6,500                               | 4,324                    | 2,167                          |                                                                                   | Dain rakes, Thomas mowers, Plymouth twine.                            |
| V    | 36   | Glazier, C.          | Pauline         | 25,000       | 18,500                              | 4,102 1/2                |                                | A & B                                                                             |                                                                       |
| V    | 264  | Gorder, August       | Plattsmouth     | 25,000       | 25,000                              | 11,250                   |                                |                                                                                   |                                                                       |
| V    | 482  | Greenawalt, John O.  | Daykin          | 20,000       | 20,000                              | 5,000                    |                                |                                                                                   | Acme and Deere binders, mowers and rakes. No I. H. C. Plymouth twine. |
| VI   | 52   | Grosshans, Henry     | Sutton          |              |                                     | None                     |                                |                                                                                   | Standard mowers.                                                      |
| V    | 340  | Gunn, H. J.          | Lexington       | 30,000       | 30,000                              | 6,450                    |                                | A & B                                                                             | Emerson mowers, Plymouth and I. H. twine.                             |
| V    | 495  | Hansen, Anton        | Upland          | 40,000       | 20,000                              | 5,000                    | 3,000                          | B                                                                                 | Emerson mowers and rakes, Sterling rakes, Plymouth twine.             |
| VI   | 66   | Hansen, Hans         | Munden          | 25,000       | 25,000                              | 6,250                    |                                |                                                                                   | Emerson and Dain mowers.                                              |
| V    | 145  | Havens, C. E.        | Atkinson        |              | 30,000                              | 4,500                    | 4,500                          |                                                                                   |                                                                       |
| V    | 542  | Hertel, Wm. P.       | Clay Center     | 84,000       | 50,000                              | 12,500                   |                                | B                                                                                 | Dain mowers and Deere binders.                                        |
| V    | 504  | Houser, John         | Wilbur          | 19,000       | 19,000                              | 6,500                    |                                |                                                                                   |                                                                       |
| V    | 189  | Jones, Ed. S.        | Falls City      | 27,500       | 27,500                              | 4,000                    | 2,500                          | A & B                                                                             |                                                                       |



|     |     |                    |              |           |           |         |              |  |                                                                          |
|-----|-----|--------------------|--------------|-----------|-----------|---------|--------------|--|--------------------------------------------------------------------------|
| VI  | 91  | Johnson, C. O.     | Havlock.     | 17,500    | 7,500     | 5,000   |              |  |                                                                          |
| V   | 300 | Kokjer, M. M.      | Clarks.      | 15,500    | 15,500    | 3,375   | B            |  | Emerson mowers, Sterling rakes.                                          |
| V   | 799 | Kronquest, N. H.   | Holdredge.   | 68,000    | 68,000    | 22,667  | B            |  | Plymouth twine.                                                          |
| V   | 659 | Kropp, H. F.       | Nehawka.     | 12,000    | 12,000    | 3,000   | B            |  | Dain mowers.                                                             |
| V   | 286 | Leiser, George A.  | Grand Island | 60,000    | 60,000    | 15,000  | B            |  |                                                                          |
| V   | 184 | Lowe, H. J.        | Mullen.      | 100,000   | 25,000    | 16,667  |              |  |                                                                          |
| V   | 115 | McCarger, Hugh     | Crete.       | 40,000    | 40,000    | 13,333  | B            |  | Plymouth twine, Wood machines.                                           |
| V   | 18  | McPherrin, J. A.   | Teunseh      | 22,500    | 22,500    | 4,500   | B            |  | Dain mowers.                                                             |
| VII | 394 | Modlin, J. F.      | Beaver City  | 20,000    | 16,000    | 5,000   |              |  |                                                                          |
| VII | 283 | Mosiman, Jr., John | Falls City.  | 45,000    | 45,000    | 10,000  |              |  |                                                                          |
| V   | 403 | Nelson, Martin     | Hartington   | 27,500    | 27,500    | 8,250   | B            |  | Acme Line (1907) Acme rakes (1912).                                      |
| V   | 86  | Newberry, C. A.    | Alliance.    | 25,000    | 25,000    | 15,000  | B            |  | Emerson mowers, Dain hay tools.                                          |
| VI  | 74  | Nispel, J. J.      | Beatrice.    | 42,500    | 14,000    | 7,900   | B            |  | Standard mowers, Plymouth twine.                                         |
| V   | 264 | O'Grady, Joseph    | Dawson.      | 35,000    | 19,000    | 4,500   | C            |  | Dain mowers.                                                             |
| V   | 519 | Parsons, J. R.     | Ruskin.      | 15,000    | 15,000    | 3,500   | A & B        |  | Plymouth twine.                                                          |
| V   | 96  | Pacterson, J. W.   | Kearney.     | 125,000   | 75,000    | 32,500  | B            |  | Crown mowers, Acme headers, Plymouth twine.                              |
| VI  | 274 | Peters, H. C.      | Yutan.       | 30,000    | 30,000    | 7,500   | B            |  | Dain rakes, Crown mowers, Acme binders.                                  |
| VI  | 69  | Peterson, M. C.    | Geneva.      | 30,000    | 43,000    | 8,000   | B            |  | Emerson rakes.                                                           |
| VI  | 113 | Pligg, J. C.       | Ohawa.       | 28,000    | 28,000    | 8,000   | B            |  | Acme line, Plymouth twine.                                               |
| V   | 346 | Ridge, B. F.       | Duncan.      | 40,000    | 40,000    | 4,500   | B            |  | Dain mowers (1911).                                                      |
| V   | 546 | Sackerson, N. N.   | Wakefield.   |           |           | 35%     | B            |  | Dain mowers last 4 years.                                                |
| V   | 105 | Schreiber, Fred.   | Wisner.      | 43,500    | 43,500    | 6,214   | B            |  | Emerson and Dain mowers, Sterling rakes.                                 |
| VI  | 60  | Schultz, Ezra.     | Hastings.    | 172,000   | 142,000   | 29,000  | A & B        |  | Deere binders (1913), Acme line (1901-5).                                |
| VI  | 463 | Scott, Alexander   | Stromsberg.  |           | 40,000    | 2,000   | B & C        |  | Acme binders (1911-12), Emerson mowers, Plymouth twine.                  |
| VI  | 217 | Seger, N. D.       | Atkinson.    | 37,500    | 22,500    | 13,500  | B            |  | Emerson mowers.                                                          |
| VI  | 116 | Shoestall, J. A.   | Elwood.      | 16,500    | 16,500    | 3,500   | B            |  | Acme line and Plymouth twine.                                            |
| VII | 280 | Skalak, W.         | Humboldt.    | 50,000    | 25,000    | 6,500   | B            |  | Plymouth twine.                                                          |
| VI  | 35  | Smith, Clinton.    | Schickley.   | 40,000    | 32,000    | 12,000  | B            |  | Standard mowers and rakes now, Acme line (1906-07) Johnston line (1908). |
| VI  | 508 | Stewart, William   | Dorchester.  | 18,000    | 18,000    | 6,300   | B            |  | Plymouth twine, Acme rakes.                                              |
| V   | 22  | Sutherland, A. E.  | Waverly.     | 18,000    | 18,000    | 6,750   |              |  |                                                                          |
| V   | 599 | Van Berg, A. E.    | Hickman.     | 50,000    | 16,667    | 8,333   | B            |  | Thomas mowers, Sterling rakes, Plymouth twine.                           |
| V   | 421 | Wachter, George A  | Pender.      | 40,000    | 13,333    | 4,444   | A & B        |  | Emerson mowers, Johnston corn binders.                                   |
| V   | 261 | Wagner, C. A.      | Omaha.       | 60,000    | 60,000    | 6,000   | B            |  |                                                                          |
| V   | 538 | Waite, H. P.       | McCook.      | 55,000    | 27,500    | 13,750  | B            |  | Acme mowers (1911), Johnston corn binders (1911-12).                     |
| V   | 645 | West, E. E.        | Dunbar.      | 20,000    | 20,000    | 7,500   | B            |  | Crown (1912), and Standard mowers prior to 1912.                         |
| VII | 137 | Wherry, D. E.      | Pawnee City  | 52,500    | 26,250    | 7,500   | B            |  |                                                                          |
|     |     |                    |              | 2,651,000 | 1,995,500 | 569,368 | 11A, 44B, 2C |  |                                                                          |
|     |     |                    |              | ★(56)     | ★(65)     | ★(65)   | ★(24)        |  |                                                                          |
|     |     |                    |              | 70        |           |         |              |  |                                                                          |

★Number of dealers giving amount of business.

- 68 dealers testified that there has been no coercion of dealers by I. H. Co.
- 69 dealers testified that the dealer fixes prices of I. H. C. goods.
- 70 dealers testified that there has been practically no advance in prices of harvesting machinery.
- 71 dealers testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.
- 72 dealers testified that I. H. C. machines have been improved since 1902.
- 73 dealers testified that business conditions, repair and expert service have been better since 1902.

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. line 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. line, 1906-1913, inclusive.

C--Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine) 1903-1913, inclusive.

## NEW YORK

| Vol. | Page | DEALER              | TOWN          | Total Volume       | Amount in Farm Implements and Twine | Amount in I. H. C. Goods | Amount in Harvesting Machinery | Dealers Handling Competing Binders or Mowers, Rakes or Twine, 1902-1913 (See Note) | COMPETING LINE HANDLED                                                 |
|------|------|---------------------|---------------|--------------------|-------------------------------------|--------------------------|--------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| XI   | 516  | Banfield, Chas. E.  | Olean         | 25,000             | 19,000                              | 6,500                    | 2,200                          | B                                                                                  | Wood line, Deere mowers and rakes, Plymouth and Wood twine.            |
| XII  | 191  | Bloomingdale, Frank | Voorheesville | 55,000             | 5,000                               | 1,750                    | 1,200                          | B                                                                                  | Luzon twine.                                                           |
| XII  | 30   | Butts, Henry P.     | Sodus         | 50,000             | 10,000                              | 2,500                    | 1,200                          | B                                                                                  | Wood line (since 1911).                                                |
| XII  | 253  | Davis, A. E.        | Binghamton    | 70,000             | 22,000                              | 2,000                    | 1,200                          | B                                                                                  | Adriance line (8 years), Wood line (1913).                             |
| XII  | 255  | De Waters, F. E.    | Elmira        | 47,500             | 40,000                              | 4,500                    | 1,200                          | A & B                                                                              | Johnston line and twine.                                               |
| XII  | 18   | Hadden, Chas. H.    | Webster       | 100,000            | 12,000                              | 4,500                    | 3,500                          | B                                                                                  | Wood line and Dain rakes.                                              |
| XI   | 538  | Ireland, Joseph     | Perry         | 50,000             | 40,000                              | 10,000                   | 1,500                          | B                                                                                  | Plymouth twine.                                                        |
| XII  | 24   | Marshall, Albert E. | Lyons         | 85,000             | 25,000                              | 6,250                    | 1,500                          | B                                                                                  | Wood, Johnson and Adriance lines (10 or 11 years), Dain mowers (1913). |
| XII  | 94   | McCormick, T. C.    | Kings Ferry   | 10,500             | 4,000                               | 3,500                    | 1,200                          | A & B                                                                              | Adriance line (30 yrs.), Johnston (since 1909), Wood (since 1912).     |
| XII  | 36   | Morehouse, W. H.    | Watertown     | 50,000             | 25,000                              | 1,500                    | 4,500                          | A & B                                                                              | Johnston line (1913), Adriance line since 1911.                        |
| XII  | 27   | Norton, R. M.       | Waterville    | 50,000             | 25,000                              | 1,500                    | 4,500                          | A & B                                                                              | Johnston rakes.                                                        |
| XII  | 247  | Pratt, Ira C.       | Prattsburg    | 240,000            | 62,000                              | 14,000                   | 6,000                          | B                                                                                  | Johnston line.                                                         |
| XII  | 19   | Pullyblank, R.      | Caledonia     | 32,500             | 20,000                              | 9,000                    | 1,600                          | B                                                                                  | Adriance line since 1911.                                              |
| XI   | 523  | Robinson, C. D.     | Watertown     | 30,000             | 25,000                              | 10,500                   | 1,600                          | B                                                                                  | Johnston rakes.                                                        |
| XII  | 16   | Saltzman, George E. | Danville      | 60,000             | 15,000                              | 3,500                    | 3,500                          | B                                                                                  | Johnston line.                                                         |
| XII  | 33   | Schnitz, John       | Skanateles    | 300,000            | 17,500                              | 3,000                    | 3,000                          | B                                                                                  | Adriance line (since 1911), Plymouth twine.                            |
| XI   | 535  | Snyder, H. F.       | Churchville   | 80,000             | 11,000                              | 2,500                    | 2,000                          | B                                                                                  | Dain mowers (since 1912), competing repairs.                           |
| XI   | 527  | Stockwell, J. W.    | Fillmore      | 70,000             | 15,000                              | 4,000                    | 2,000                          | B                                                                                  |                                                                        |
| XI   | 520  | Van Deventer, J. C. | Tuscarora     | 90,000             | 10,000                              | 5,500                    | 2,000                          | B                                                                                  |                                                                        |
|      |      | 19                  |               | 1,455,500<br>★(19) | 385,500<br>★(19)                    | 100,000<br>★(19)         | 23,700<br>★(9)                 | 3 A, 14 B                                                                          |                                                                        |

★ Number of dealers giving amount of business.

1. 19 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 14 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 5 dealers testified that there has been practically no advance in prices of harvesting machinery.

4. 5 dealers testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.

5. 6 dealers testified that I. H. C. machines have been improved since 1902.

6. 3 dealers testified that business, conditions, repair and expert service have been better since 1902.

## NORTH DAKOTA

|      |     |                       |               |           |           |         |  |  |           |                                                        |
|------|-----|-----------------------|---------------|-----------|-----------|---------|--|--|-----------|--------------------------------------------------------|
| X    | 37  | Allen, Paul           | Jamestown     | 100,000   | 50,000    | 12,500  |  |  |           |                                                        |
| IX   | 407 | Bennett, R. L.        | Inkster       | 30,000    | 30,000    | 10,000  |  |  | A         | Acme line 1903-06.                                     |
| X    | 9   | Berge, Rolfe          | Courtenay     | 17,500    | 13,125    | 6,562   |  |  | B         | Plymouth twine.                                        |
| IX   | 513 | Bertsch, Christian    | Bismark       | 50,000    | 50,000    | 15,000  |  |  |           |                                                        |
| IX   | 525 | Bingenheimer, Geo. H. | Mandan        | 270,000   | 55,000    | 16,500  |  |  | B         | Dain mowers and rakes and Thomas mowers.               |
| X    | 65  | Bjork, Olaf           | Abercrombie   | 27,500    | 27,500    | 6,875   |  |  |           |                                                        |
| IX   | 515 | Botten, Peter         | Bentley       | 30,000    | 20,000    | 12,000  |  |  |           |                                                        |
| IX   | 494 | Currie, Alex          | Cando         | 65,000    | 20,000    | 11,700  |  |  |           |                                                        |
| X    | 58  | Doyle, S. J.          | Carrington    | 52,500    | 52,500    | 8,662   |  |  |           |                                                        |
| X    | 19  | Ferguson, Angus       | Bordulac      | 50,000    | 50,000    | 15,000  |  |  | B         | Keystone line 1905; Wood line 1906-08; Acme line 1906. |
| IX   | 562 | Fitzmaurice, Thomas   | Mohall        | 30,000    | 30,000    | 5,500   |  |  |           |                                                        |
| X    | 50  | Flora, Frank          | Valley City   | 75,000    | 75,000    | 37,500  |  |  | B         | Acme line 1912.                                        |
| X    | 71  | Fredrickson, P. B.    | Valley City   | 33,000    | 20,000    | 10,000  |  |  | B         | Minn. Frison twine.                                    |
| IX   | 509 | French, J. P.         | Davenport     | 75,000    | 15,000    | 5,500   |  |  |           |                                                        |
| X    | 40  | Gray, O. B.           | Bismark       | 30,000    | 25,000    | 6,000   |  |  |           |                                                        |
| IX   | 553 | Holz, L. C.           | Page          | 30,000    | 43,000    | 15,000  |  |  | B         | Acme line since 1909.                                  |
| X    | 6   | Ireland, G. L.        | Omnec         | 45,000    | 30,000    | 6,500   |  |  |           |                                                        |
| X    | 15  | Jones, C. E.          | Hankinson     | 75,000    | 30,000    | 9,500   |  |  |           |                                                        |
| IX   | 521 | Johnston, Thomas      | Lisbon        | 85,000    | 40,000    | 7,500   |  |  |           |                                                        |
| IX   | 550 | Krueger, George       | Park River    | 45,000    | 45,000    | 5,000   |  |  |           |                                                        |
| IX   | 542 | Lovell, G. D.         | Ryder         | 35,000    | 35,000    | 5,000   |  |  |           |                                                        |
| IX   | 559 | McCutcheon, Wm. C.    | Beach         | 187,500   | 125,000   | 17,500  |  |  |           |                                                        |
| IX   | 419 | McIntosh, D. G.       | Rugby         | 135,000   | 38,000    | 12,000  |  |  |           |                                                        |
| IX   | 410 | Miller, Miles         | St. Thomas    | 40,000    | 40,000    | 13,333  |  |  |           |                                                        |
| IX   | 556 | Nordman, Wm.          | Crary         | 27,500    | 27,500    | 6,875   |  |  |           |                                                        |
| X    | 68  | Paulson, John E.      | Noonan        | 50,000    | 50,000    | 16,000  |  |  |           |                                                        |
| IX   | 422 | Porter, Henry         | Hillsboro     | 57,215.90 | 57,215.90 | 13,300  |  |  |           |                                                        |
| IX   | 564 | Rawson, W. C.         | Walhalla      | 120,000   | 60,000    | 17,000  |  |  |           |                                                        |
| IX   | 500 | Sather, A. O.         | Williston     | 50,000    | 50,000    | 22,500  |  |  |           |                                                        |
| IX   | 567 | Schibaby, E.          | Starkweather  | 60,000    | 57,500    | 15,000  |  |  |           |                                                        |
| VIII | 334 | Shells, C. H.         | Lansford      | 19,000    | 32,500    | 11,375  |  |  |           |                                                        |
| IX   | 546 | Simmons, T. L.        | Edgeley       | 10,000    | 10,000    | 6,000   |  |  | B         | Acme line.                                             |
| IX   | 404 | Smith, T. J.          | Forkholm      | 35,000    | 35,000    | 11,667  |  |  | B         | Plymouth twine.                                        |
| IX   | 497 | Spoonheim, E. K.      | Grand Forks   | 100,000   | 100,000   | 20,000  |  |  | B         | Competing twine.                                       |
| IX   | 505 | Sylvester, Albert E.  | Northwood     | 72,000    | 72,000    | 12,600  |  |  |           |                                                        |
|      |     |                       | Churchs Ferry | 2,126,215 | 1,565,840 | 430,982 |  |  | 1 A, 10 B |                                                        |
|      |     |                       |               | ★(32)     | ★(35)     | ★(35)   |  |  |           |                                                        |

★Number of dealers giving amount of business.

1. 35 dealers testified that there has been no coercion of dealers by the I. H. Co.

2. 15 dealers testified that the dealer fixes the prices of I. H. C. goods.

3. 1 dealer testified that there has been practically no advance in prices of harvesting machinery.

4. 2 dealers testified that I. H. C. machines have been improved since 1902.

5. 1 dealer testified that business conditions, repair and expert service have been better since 1902.

NOTE A—Handled competing Binders, Mowers, or Rakes while handling I. H. C. line, 1903-1905, inclusive.  
 B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. line, 1906-1913, inclusive.  
 C—Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine) 1903-1913, inclusive.

## OHIO

| Vol. | Page | DEALER              | TOWN             | Total Volume<br>Business | Amount in Farm<br>Implement and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                                  |
|------|------|---------------------|------------------|--------------------------|---------------------------------------|-----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| XII  | 42   | Bobbs, C. I.        | Xenia            | 50,000                   | 24,000                                | 7,500                       | 3,500                                |                                                                                                                   | Peoria twine.                                           |
| XI   | 467  | Baker, D. J.        | Montpelier       | 20,000                   | 29,000                                | 6,525                       |                                      | B                                                                                                                 |                                                         |
| XI   | 500  | Bolton, Harvey      | Findlay          | 65,000                   | 47,500                                | 20,000                      |                                      |                                                                                                                   |                                                         |
| XII  | 151  | Brown, H. M.        | Ashland          | 18,000                   | 7,500                                 | 3,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 296  | Brunbaugh, John E.  | New Lebanon      | 37,500                   | 10,000                                | 2,500                       |                                      | B                                                                                                                 | Johnston line, Ohio and Dain rakes, Thomas mowers.      |
| XII  | 538  | Carl, W. H.         | Shreve           | 66,000                   | 17,500                                | 7,000                       |                                      |                                                                                                                   |                                                         |
| XII  | 535  | Chevalier, L. H.    | Berea            | 37,500                   | 8,000                                 | 2,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 178  | Conover, Howard S.  | Franklin         | 47,500                   | 12,000                                | 4,250                       |                                      |                                                                                                                   |                                                         |
| X    | 361  | Duffy, John P.      | Greenville       | 47,500                   | 11,500                                | 7,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 78   | Dwyer, Thomas J.    | London           | 55,000                   | 19,000                                | 4,500                       | 2,500                                | B                                                                                                                 | Plymouth twine.                                         |
| XI   | 99   | Gooding, J. O.      | Lewis Center     | 60,000                   | 5,000                                 | 2,250                       |                                      |                                                                                                                   |                                                         |
| XI   | 484  | Hobart, H. W.       | Pemberville      | 100,000                  | 12,500                                | 6,000                       |                                      | B                                                                                                                 | Plymouth twine, Wood and Adriance lines and Ohio rakes. |
| XI   | 210  | Horn, J. W.         | Lakeville        | 100,000                  | 9,000                                 | 1,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 91   | Hunter, W. H.       | Mechanicsburg    | 35,000                   | 12,000                                | 1,750                       |                                      |                                                                                                                   |                                                         |
| XII  | 227  | Hatschpiller, C. C. | Ironton          | 75,000                   | 9,000                                 | 2,200                       |                                      | B & C                                                                                                             | Peoria and competitive twine (1913).                    |
| XII  | 74   | Martens, C. D.      | Lancaster        | 112,500                  | 25,000                                | 10,000                      |                                      | B                                                                                                                 | Hocking Valley and Thomas rakes.                        |
| X    | 453  | Muller, Joseph      | Payne            | 32,500                   | 7,500                                 | 3,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 180  | New, W. C.          | Winchester       | 25,000                   | 6,000                                 | 2,500                       |                                      |                                                                                                                   |                                                         |
| XI   | 63   | O'Rourke, John      | Mansfield        | 32,500                   | 32,500                                | 11,000                      |                                      | B                                                                                                                 | Ohio and C. B. & Q. s. d. rake.                         |
| XII  | 242  | Peabody, O. E.      | Oberlin          | 15,000                   | 15,000                                | 4,000                       |                                      | B                                                                                                                 | Greendyke twine.                                        |
| XI   | 54   | Phalen, B. A.       | Newark           | 60,000                   | 50,000                                | 18,000                      |                                      |                                                                                                                   |                                                         |
| XII  | 81   | Sapp, C. S.         | Mount Vernon     | 55,000                   | 37,500                                | 16,500                      |                                      |                                                                                                                   |                                                         |
| XII  | 149  | Schibley, J. H.     | Anson            | 100,000                  | 35,000                                | 6,000                       |                                      |                                                                                                                   |                                                         |
| XII  | 489  | Schlect, William    | Perrysburg       | 25,000                   | 8,000                                 | 3,000                       |                                      | B                                                                                                                 | Ohio rakes.                                             |
| XI   | 67   | Sellers, S. M.      | South Charleston | 150,000                  | 16,500                                | 3,000                       | 2,000                                | B                                                                                                                 | Adriance line, Plymouth twine, Ohio s. d. rakes.        |
| XI   | 495  | Skitter, Thomas     | Genoa            | 30,000                   | 20,000                                | 5,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 188  | Stoneman, J. W.     | Chagrin Falls    | 90,000                   | 42,500                                | 5,000                       |                                      |                                                                                                                   |                                                         |
| XI   | 58   | Turner, Josiah      | Marysville       | 35,000                   | 30,000                                | 11,000                      |                                      |                                                                                                                   |                                                         |
| XI   | 245  | Whinery, L. R.      | Salem            | 40,000                   | 28,000                                | 7,500                       |                                      |                                                                                                                   |                                                         |
|      |      | 29                  |                  | ★ (28)                   | ★ (29)                                | ★ (29)                      | ★ (3)                                | 10 B, 1 C                                                                                                         |                                                         |
|      |      |                     |                  | 1,577,000                | 567,000                               | 182,975                     | 8,000                                |                                                                                                                   |                                                         |

★ Number of dealers giving amount of business.

1. 29 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 16 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 1 dealer testified that there has been practically no advance in prices of harvesting machinery.

4. 4 dealers testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.

5. 10 dealers testified that I. H. C. machines have been improved since 1902.

## OKLAHOMA

| VI | 474 | Aschbie, William.....    | Cordell.....       | 62,500    | 31,250  | 10,000  | A & B     | Emerson mowers and rakes (9 years),<br>Dain rakes.         |
|----|-----|--------------------------|--------------------|-----------|---------|---------|-----------|------------------------------------------------------------|
| VI | 357 | Brown, James.....        | Edmond.....        | 9,000     | 3,500   | 1,000   | B         | Acme line (5 years).                                       |
| VI | 428 | Cowan, E.....            | Frederick.....     | 42,500    | 16,500  | 5,000   | B         | Dain mowers (5 years).                                     |
| VI | 469 | Eason, T. J.....         | Marlow.....        | 57,500    | 27,500  | 5,000   | B         | Deere mowers and rakes, Acme binders, Standard<br>mowers.  |
| VI | 794 | Gensman, Geo. J.....     | End.....           | 172,000   | 80,000  | 40,000  | B         |                                                            |
| VI | 329 | Goodner, Geo. E. H.....  | Weatherford.....   | 40,000    | 26,667  | 13,333  | 5,500     | Acme line.                                                 |
| VI | 341 | Hamilton, Chas. P.....   | Mangum.....        | 125,000   | 62,500  | 9,000   | B         | Dain mowers (1912).                                        |
| VI | 480 | Hillery, R. H.....       | Comanche.....      | 75,000    | 25,000  | 9,000   | B         | Emerson mowers and rakes, Hooven & Nelson twine<br>(1911). |
| VI | 752 | Hinde, A. C.....         | Perry.....         | 26,000    | 16,500  | 5,500   | B         | Standard mowers and rakes, Plymouth twine.                 |
| VI | 333 | Hockaday, Ed.....        | Kingfisher.....    | 525,000   | 250,000 | 100,000 | B         | Moine rakes.                                               |
| VI | 444 | Jackman, W. W.....       | Union City.....    | 25,000    | 10,000  | 4,500   | B         |                                                            |
| VI | 382 | Knight, H. N.....        | Oklahoma City..... | 15,400    | 15,400  | 15,400  | B         | Acme line (1 year).                                        |
| VI | 387 | McMillan, J. E.....      | Madill.....        | 70,000    | 31,500  | 4,000   | A         | Dain mowers.                                               |
| VI | 485 | Miller, W. K.....        | Lawton.....        | 100,000   | 50,000  | 14,000  | B         | Standard mowers and rakes.                                 |
| VI | 363 | Minter, C. A.....        | Pecasset.....      | 90,000    | 25,000  | 7,500   | B         |                                                            |
| VI | 692 | Motley, S. T.....        | Vinita.....        | 35,000    | 35,000  | 7,000   | B         | Dain mowers and rakes, Plymouth twine.                     |
| VI | 440 | Mulvey, M. V.....        | Yukon.....         | 250,000   | 45,000  | 12,000  | B         | Dain mowers and rakes.                                     |
| VI | 368 | Preker, W. D.....        | Guthrie.....       | 49,000    | 40,000  | 4,000   | B         | Emerson mowers last 4 years.                               |
| VI | 373 | Pritchard, Albert H..... | Frederick.....     | 87,500    | 45,000  | 11,000  | B         | Thomas mowers.                                             |
| VI | 351 | Spragins, J. B.....      | Admore.....        | 77,500    | 25,000  | 6,250   | B         | Emerson mowers and rakes, Dain mowers.                     |
| VI | 798 | Stewart, F. W.....       | Medford.....       | 35,500    | 15,000  | 9,000   | B         | Standard mowers (2 years).                                 |
| VI | 448 | Talbot, E. R.....        | Wauonga.....       | 45,000    | 27,500  | 7,000   | B         | Deere and Emerson mowers and rakes.                        |
| VI | 711 | Tucker, H. J.....        | Lamont.....        | 30,000    | 15,000  | 5,000   | B         | Standard mowers and rakes.                                 |
| VI | 491 | Wallace, R. L.....       | Chickasha.....     | 57,500    | 20,000  | 1,350   | B         | Dain mowers and rakes.                                     |
| VI | 434 | Weir, W. S.....          | Temple.....        | 50,000    | 15,000  | 4,000   | B         |                                                            |
|    | 25  |                          |                    | 2,171,500 | 956,817 | 305,833 | 2 A, 20 B |                                                            |
|    |     |                          |                    | ★(25)     | ★(25)   | ★(25)   | ★(2)      |                                                            |

★Number of dealers giving amount of business.

1. 25 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 21 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 5 dealers testified that there has been practically no advance in prices of harvesting machinery.

4. 1 dealer testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.

5. 7 dealers testified that I. H. C. machines have been improved since 1902.

6. 2 dealers testified that business conditions, repair and expert service have been better since 1902.

## OREGON

| XI | 293 | Freeman, J. A..... | Portland..... | Not given | Not given | Not given | B | Plymouth twine. |
|----|-----|--------------------|---------------|-----------|-----------|-----------|---|-----------------|
|----|-----|--------------------|---------------|-----------|-----------|-----------|---|-----------------|

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes and competing Twine (and no I. H. C. Twine) 1903-1913, inclusive.



## SOUTH DAKOTA

| V    | Anderson, H. O.      | Sturgis.     | 36,000    | 8,000     | 3,600     | 3,600  | B            | Thomas mowers.                                 |
|------|----------------------|--------------|-----------|-----------|-----------|--------|--------------|------------------------------------------------|
| VIII | Bach, C. J.          | Hurley.      | 20,000    | 20,000    | 2,250     |        |              |                                                |
| VIII | Bleeker, H. M.       | Emery.       | 50,000    | 50,000    | 20,000    |        |              |                                                |
| V    | Bonniwell, Philip M. | Whitehead.   | 45,000    | 27,000    | 5,400     |        |              |                                                |
| VIII | Boylan, B. T.        | Armour.      | 30,000    | 18,000    | 4,950     |        | B            | Dain mowers and Prison twine.                  |
| VIII | Bramard, G. T.       | Gary.        | Not given | Not given | Not given |        |              |                                                |
| VIII | Buscher, John.       | Canistota.   | 37,500    | 37,500    | 12,500    |        |              |                                                |
| VIII | Cassells, H. W.      | Groton.      | 80,000    | 60,000    | 15,000    |        | B            | Acme line, Plymouth twine, Dain mowers (1910). |
| VIII | Cochrane, DeWitt.    | Clark.       | 35,000    | 35,000    | 13,000    |        | C            | Penitentiary twine.                            |
| VIII | Danforth, W. M.      | Raymond.     | 18,000    | 17,500    | 9,000     |        |              |                                                |
| VIII | Debilzan, George.    | Freeman.     | 40,000    | 40,000    | 13,750    |        | B            | Dain mowers.                                   |
| VIII | Haar, Fred.          | Hieb, Jacob. | 100,000   | 20,000    | 16,000    |        | B            | Dain mowers, Sterling rakes.                   |
| VIII | Marion luncion.      | Elliton.     | 20,000    | 10,000    | 7,000     |        | C            | Plymouth twine.                                |
| VIII | Hedge, J. E.         | Northville.  | 15,000    | 15,000    | 9,000     |        | B            | Acme line.                                     |
| VIII | Jenkins, J. F.       | Centerville. | 60,000    | 40,000    | 14,000    |        |              |                                                |
| VIII | Johnson, C. J.       | Reville.     | 20,000    | 20,000    | 10,000    | 7,000  | B            | Dain mowers, last 3 years.                     |
| VIII | Jones, H. E.         | Britton.     | 25,000    | 25,000    | 12,500    |        |              |                                                |
| VIII | Kenny, C. B.         | Volga.       | 22,500    | 18,000    | 4,000     |        |              |                                                |
| VIII | Lee, J. C.           | Spencer.     | 35,000    | 35,000    | 11,000    |        |              |                                                |
| VIII | Lundtugel, C. W.     | Arlington.   | 55,000    | 13,750    | 10,000    | 5,500  | C            | Plymouth twine.                                |
| VIII | Maxwell, A. D.       | Delmont.     | 52,000    | 30,000    | 10,000    |        | B            | Acme line, last 3 years, Dain mowers.          |
| VIII | Misterek, P. C.      | Wakonda.     | 45,000    | 25,000    | 12,000    |        | B            | Dain mowers (last 3 years).                    |
| VIII | Rasmussen, H. P.     | Toronto.     | 32,500    | 16,250    | 8,125     |        | A            | Acme line (1902-3).                            |
| VIII | Sorenson, Peter.     | Woonsocket.  | 70,000    | 70,000    | 35,000    |        | B            | Plymouth twine.                                |
| VIII | Stakke, K. O.        | Harrisburg.  | 30,000    | 20,000    | 8,000     |        |              |                                                |
| VIII | Stonback, J. S.      | Iroquois.    | 50,000    | 4,500     | 2,250     |        |              |                                                |
| VIII | Stoner, C. W.        | Vermilion.   | 45,000    | 45,000    | 3,500     |        | B            | Emerson line, Acme mowers.                     |
| VIII | Thompson, M. D.      | Ellendale.   | 22,500    | 22,500    | 7,500     |        | B & C        | Acme line, Plymouth twine.                     |
| VIII | Walker, F. L.        | Madison.     | 45,000    | 45,000    | 6,500     |        | B            | Sterling rakes.                                |
| VIII | Waskey, George.      | Lennox.      | 35,000    | 20,000    | 7,500     |        |              |                                                |
| VIII | Wumkes, W. H.        |              | 1,133,000 | 825,000   | 293,325   | 21,500 | 1 A, 13B, 4C |                                                |
|      | 31                   |              | ★(27)     | ★(30)     | ★(29)     | ★(4)   |              |                                                |

★ Number of dealers giving amount of business.

1. 30 dealers testified that there has been no coercion of dealers by I. H. Co.
2. 9 dealers testified that the dealer fixes prices of I. H. C. goods.
3. 3 dealers testified that there has been practically no advance in prices of harvesting machinery.
4. 3 dealers testified that there has been less advance in prices of harvesting machinery than in prices of other agricultural implements.
5. 6 dealers testified that I. H. C. machines have been improved since 1902.
6. 4 dealers testified that business conditions, repair and expert service have been improved since 1902.

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.  
 B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1906-1913, inclusive.  
 C—Handled I. H. C. Binders, Mowers and Rakes, and competing twine (and no I. H. C. Twine), 1903-1913, inclusive.

# TENNESSEE

| Vol. | Page | DEALER          | TOWN      | Total Volume<br>Business | Amount in Farm<br>Implements and Twine | Amount in I. H. C.<br>Goods | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders or<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED |
|------|------|-----------------|-----------|--------------------------|----------------------------------------|-----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------|
| XI   | 142  | Barnes, J. M.   | Elizabeth | 20,000                   | 20,000                                 | 5,000                       |                                      | B                                                                                                                   | Thomas line (1910).    |
| XI   | 181  | Norvell, L. G.  | Newman    | 85,000                   | 35,000                                 | 10,500                      |                                      |                                                                                                                     |                        |
| XI   | 185  | Thompson, Lewis | Ripley    | 137,500                  | 35,000                                 | 11,000                      |                                      |                                                                                                                     |                        |
|      |      | 3               |           | 242,500                  | 90,000                                 | 26,500                      |                                      | I B                                                                                                                 |                        |
|      |      |                 |           | ★ (3)                    | ★ (3)                                  | ★ (3)                       |                                      |                                                                                                                     |                        |

★ Number of dealers giving amount of business.

1 3 dealers testified that there has been no coercion of dealers by I. H. Co.

# UTAH

| V | 636 | Odell, George T. | Salt Lake City | 3,000,000 | 1,750,000 | 282,500 | B | Plymouth twine. |
|---|-----|------------------|----------------|-----------|-----------|---------|---|-----------------|
|---|-----|------------------|----------------|-----------|-----------|---------|---|-----------------|

1. This dealer testified that he has not been coerced by I. H. Co., that he fixes the prices of I. H. C. goods, that there has been practically no advance in prices of harvesting machinery, that I. H. C. machines have been improved since 1902, and that business conditions, repair and expert service have been better since 1902.

# VIRGINIA

| XII | 200 | Cass, George W | Portellville | Not given | 24,000 | 10,000 |  |  |
|-----|-----|----------------|--------------|-----------|--------|--------|--|--|
|-----|-----|----------------|--------------|-----------|--------|--------|--|--|

1. This dealer testified that he has not been coerced by I. H. Co., and that he fixes prices of I. H. C. goods.

# WISCONSIN

|     |     |                       |                |         |        |        |       |       |                                                                                                        |
|-----|-----|-----------------------|----------------|---------|--------|--------|-------|-------|--------------------------------------------------------------------------------------------------------|
| XI  | 323 | Allady, D. W.         | Mauston        | 17,500  | 17,500 | 5,833  |       | B     | Moline rake and C. B. & Q. s. d. rakes.                                                                |
| XI  | 209 | Blanchard, Jas. A.    | Blanchardville | 28,000  | 28,000 | 9,000  | 6,000 |       |                                                                                                        |
| IX  | 319 | Briesner, H.          | Baldwin        | 15,000  | 15,000 | 7,000  | 600   |       |                                                                                                        |
| IX  | 318 | Bohan, Daniel         | Avera          | 12,000  | 12,000 | 3,000  |       | B     | Peoria twine.                                                                                          |
| XII | 406 | Bornshain, Albert F.  | Brandon        | 9,000   | 9,000  | 3,500  |       |       |                                                                                                        |
| XI  | 453 | Brooks, George W.     | Omro           | 15,000  | 15,000 | 5,000  |       | B     | Johnston line, Plymouth twine.                                                                         |
| XI  | 433 | Christenson, Edgar O. | Hartford       | 65,000  | 20,000 | 3,250  |       | B     | Dain mowers (1912), Thomas rakes, Plymouth twine.                                                      |
| IX  | 14  | Crisler, J. S.        | Rice Lake      | 100,000 | 40,000 | 20,000 |       | B     | Acme line (since 1909), Dain mowers and rakes (since 1909), Standard mowers (8 years), Plymouth twine. |
| XI  | 301 | Dulton, W. W.         | Clinton        | 29,000  | 29,000 | 4,000  |       | A & B |                                                                                                        |
| XI  | 320 | Deppo, J. F.          | Marshall       | 11,000  | 11,000 | 4,000  |       |       |                                                                                                        |



|     |     |                         |         |        |       |                                                                                          |
|-----|-----|-------------------------|---------|--------|-------|------------------------------------------------------------------------------------------|
| XI  | 331 | Doll, John.....         | 25,000  | 9,000  | B     | Dain s. d. rakes.                                                                        |
| IX  | 37  | Ede, J. C.....          | 15,000  | 6,000  | B     | Thomas rakes, Emerson and Dain mowers.                                                   |
| XII | 481 | Godfrey, S. P.....      | 35,000  | 10,500 | B     | Deere rakes.                                                                             |
| XI  | 382 | Hanson, P. J.....       | 22,500  | 15,000 | B & C | Prison and Plymouth twine.                                                               |
| XII | 383 | Heid, John W.....       | 42,500  | 3,000  | B     | Wisconsin Prison twine (1913), C. B. & Q. s. d. rakes.                                   |
| XI  | 379 | James, Oscar B.....     | 75,000  | 21,250 | B & C | Johnston mowers (since 1908), Dain mowers, 1912, Plymouth twine, 10 years, Prison twine. |
| XI  | 372 | Jones, Thomas, Jr.....  | 7,500   | 2,500  | B     | Standard mowers and s. d. rakes (since 1909), Plymouth twine.                            |
| XI  | 376 | Jones, Thomas E.....    | 19,000  | 4,500  |       | Acme line, Deering line (1913).                                                          |
| XI  | 25  | Johnson, Joseph.....    | 20,000  | None.  |       | Ohio rakes.                                                                              |
| XII | 450 | Keonings, Theodore..... | 29,000  | 9,500  | B     | Dain mowers, 1913, and s. d. rakes 10 or 12 years.                                       |
| XII | 299 | Knap, Arthur J.....     | 35,000  | 13,500 | A & B | Emerson mower (since 1912), Wisconsin Prison twine (1913)                                |
| XII | 368 | Knap, Charles.....      | 35,000  | 3,000  | B     | Wisconsin Prison twine (1913), Johnston rake, 1908.                                      |
| XII | 388 | Landaal, George.....    | 50,000  | 5,000  | B     | Johnston and Independent Lines.                                                          |
| IX  | 373 | Larson, William.....    | 719,000 | 30,000 | B     | Johnston mowers and corn binders.                                                        |
| IX  | 34  | Lavalle, Frank J.....   | 19,000  | 5,000  | B     | Plymouth twine.                                                                          |
| IX  | 329 | Legreid, Chris.....     | 12,000  | 3,000  | B     | Plymouth twine.                                                                          |
| XI  | 304 | Lewis, Andrew.....      | 32,500  | 5,000  | B     | Plymouth twine.                                                                          |
| XI  | 236 | Lindsay, John.....      | 25,000  | 10,000 | B     | Plymouth twine.                                                                          |
| XI  | 243 | Look, W. H.....         | 12,000  | 4,000  | B     | Plymouth twine.                                                                          |
| IX  | 20  | Lynch, Martin.....      | 32,000  | 10,000 |       |                                                                                          |
| XI  | 387 | McCoy, S. A.....        | 12,000  | 900    | B     | Johnston corn binders (since 1910), Dain mowers and s. d. rakes (since 1909).            |
| XII | 488 | McGeehan, G. T.....     | 50,000  | 3,500  | B     | Deere line.                                                                              |
| IX  | 1   | McGilton, John N.....   | 20,000  | 5,000  | A & B | Johnston corn binders (since 1907), Keystone rakes (1903-4).                             |
| IX  | 43  | McIntyre, James.....    |         |        |       |                                                                                          |
| IX  | 253 | McKeith, Carl.....      | 10,000  | 5,000  | B     | Tiger rakes.                                                                             |
| IX  | 40  | Miller, W. M.....       | 45,000  | 8,500  | A & B | Johnston line (since 1904), Plymouth twine.                                              |
| XI  | 306 | Miller, Chas. O.....    | 35,000  | 7,250  | B     | Dain mowers (since 1911), Plymouth twine.                                                |
| XII | 442 | Mills, Joseph.....      | 28,500  | 9,000  | B     | Plymouth twine.                                                                          |
| IX  | 257 | Muir, J. C.....         | 27,500  | 6,500  | B     | Dain mowers.                                                                             |
| IX  | 9   | Noll, Frank.....        | 70,000  | 20,000 | B     | Dain mowers.                                                                             |
| IX  | 384 | Oscar, Thomas.....      | 19,000  | 5,500  | B     | Plymouth twine, Acme mowers and rakes, gave up binder business in 1906.                  |
| IX  | 17  | Padden, John.....       | 50,000  | 4,000  |       | Plymouth twine.                                                                          |
| IX  | 28  | Peterson, L. W.....     | 22,500  | 2,250  | B     | Sandwich twine.                                                                          |
| IX  | 5   | Robbins, E. W.....      | 35,000  | 8,750  | B     | Sandwich rakes.                                                                          |
| XII | 425 | Schauer, A. F.....      | 50,000  | 4,000  | B     | Acme (since 1910), Dain line.                                                            |
| XII | 401 | Schraeder, Chas. F..... | 42,500  | 11,500 | B     | Plymouth twine (11 years).                                                               |
| XI  | 326 | Schultz, Henry A.....   | 20,000  | 5,000  | B     | Plymouth twine.                                                                          |
| IX  | 23  | Sebensthal, F. R.....   | 25,000  | None.  |       | Johnston line, Thomas mowers.                                                            |
| IX  | 386 | Siebens, Otto.....      | 155,000 | 22,000 |       | Johnston line (since 1909), Plymouth twine.                                              |
| IX  | 359 | Siefert, August.....    | 45,000  | 3,000  | B     | Plymouth twine, C. B. & Q. s. d. rakes.                                                  |
| XI  | 314 | Smith, Arthur.....      | 20,000  | 6,000  | B     | Acme line, Johnston and Independent binders, Crown mowers.                               |
| IX  | 49  | Stellah, Fred.....      | 35,000  | 5,000  | B     |                                                                                          |

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.

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C—Handled I. H. C. Binders, Mowers and Rakes, and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## WISCONSIN—Continued

| Vol. | Page | DEALER             | TOWN         | Total Volume<br>Business | Amount in Farm<br>Implement and Twine | Amount in I. H. C. | Amount in<br>Harvesting<br>Machinery | Dealers Handling<br>I. H. C. Line and<br>Competing Binders,<br>Mowers, Rakes or<br>Twine, 1902-1913<br>(See Note) | COMPETING LINE HANDLED                      |
|------|------|--------------------|--------------|--------------------------|---------------------------------------|--------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| XII  | 419  | Stewart, W. H.     | Delavan.     | 40,000                   | 25,000                                | 8,500              | .....                                | B                                                                                                                 | Plymouth twine.                             |
| XII  | 437  | Stratman, Wm.      | Hartland.    | 15,000                   | 15,000                                | 2,000              | .....                                | B                                                                                                                 | Plymouth twine.                             |
| XII  | 473  | Strobel, J. F.     | Neenah.      | 70,000                   | 22,000                                | 10,000             | .....                                | B                                                                                                                 | Thomas mowers, 1913.                        |
| XI   | 312  | Vaughan, O. P.     | Wauzeka.     | 19,000                   | 10,500                                | 3,166              | .....                                | .....                                                                                                             | .....                                       |
| XII  | 310  | Victora, William   | Muskego.     | 27,500                   | 18,000                                | 5,500              | .....                                | .....                                                                                                             | .....                                       |
| XII  | 464  | Wagner, William F. | Muskego.     | 75,000                   | 35,000                                | 4,500              | .....                                | A B & C                                                                                                           | Johnston line (since 1905), Plymouth twine. |
| IX   | 40   | Watson, James B.   | Erdman.      | 12,000                   | 8,500                                 | 4,000              | .....                                | B                                                                                                                 | Dain mowers, Minnesota Prison twine.        |
| XII  | 448  | Washburn, E.       | Humbird.     | 35,000                   | 35,000                                | 10,000             | .....                                | .....                                                                                                             | .....                                       |
| XII  | 356  | Weed, C. H.        | Fond du Lac. | 20,000                   | 20,000                                | 6,500              | .....                                | B                                                                                                                 | Plymouth twine.                             |
| XI   | 403  | Williams, E. J.    | Plainfield.  | 37,500                   | 37,500                                | 8,000              | .....                                | B                                                                                                                 | Acme line (since 1910).                     |
| XII  | 439  | Woodford, E. C.    | Randolph.    | 30,000                   | 30,000                                | 8,000              | .....                                | B                                                                                                                 | Plymouth twine, Thomas mowers, s. d. rakes. |
| XII  | 476  | Wolter, Fred       | Darien.      | 32,500                   | 32,500                                | 12,500             | .....                                | B                                                                                                                 | Wisconsin Prison twine (since 1909).        |
|      | 64   |                    | Appleton.    | 2,778,000<br>★(59)       | 1,515,750<br>★(64)                    | 410,899<br>★(61)   | 6,600<br>★(2)                        | 5 A, 47 B, 3C                                                                                                     |                                             |

★ Number of dealers giving amount of business.

1. 63 dealers testified that there has been no coercion of dealers by I. H. Co.

2. 20 dealers testified that the dealer fixes prices of I. H. C. goods.

3. 1 dealer testified that there has been practically no advance in prices of harvesting machinery.

4. 1 dealer testified that I. H. C. machines have been improved since 1902.

5. 1 dealer testified that business conditions, repair and expert service have been better since 1902.

NOTE A—Handled competing Binders, Mowers or Rakes while handling I. H. C. Line, 1903-1905, inclusive.

B—Handled competing Binders, Mowers, Rakes or Twine while handling I. H. C. Line, 1906-1913, inclusive.

C—Handled I. H. C. Binders, Mowers and Rakes, and competing Twine (and no I. H. C. Twine), 1903-1913, inclusive.

## Testimony of Farmers.

*In All 228 Farmers Testified for Defendants; No Farmer Was Called By Petitioner. The Testimony of ~~These~~ Farmers from Each of the 15 Principal Grain Growing States Follows:*

### ILLINOIS.

#### X

432 C. E. HILL, Manito:

Have 300 acres, raise corn, wheat, oats and hay, use Milwaukee binder and Deering mower; used Milwaukee binder six years, previous to that the McCormick. In the past ten years binders have been improved with the tongue truck, they run considerably lighter, no neck weight; they bind better; we do not have the trouble with them we used to have; they have not got the side draft. I would not have one on the farm without a tongue truck at any price. You can buy binders and mowers other than of International make around us. The witness' farm implements cost \$1177.50; binder, mower and rake \$210.00, being 17.8 per cent. of the total cost of implements.

450 JAMES HOUCHIN, Mason City:

Have 300 acres, raise corn, wheat and oats and some clover; have used Deering binder four years; previous to that I used the Milwaukee and the Wood; have been familiar with the grain binder 30 years. The binder you get now is better than the one made ten years ago, the same as everything else; it runs easier and does better work. You can buy binders and mowers other than of International make near us. The repair and expert service for the International binder and mower have been number 1. The repair service is better and quicker on all our machinery than ten years ago. Binders and mowers and engines are about the only things for which you need repair service. The witness' farm implements cost \$1562.00; binder, mower and rake \$263.00, being 16.8 per cent. of the total cost of implements.

*Testimony of Farmers (cont'd.).*

422 A. D. MORGAN, Lewistown:

Farmer; have 160 acres; been farming 35 years; raise corn, wheat, oats. Use McCormick corn binder and Acme grain binder; been using Acme grain binder four years; the Acmes are scattered all through our country—lots of them. The International has given good service for my corn binder, the expert and repair service has been entirely satisfactory. There has been no discrimination of any kind against me because I did not use an International make of grain binder. The witness' farm implements cost \$1198.50; binder, mower and rake \$207.00, being 17.3 per cent. of the total cost of implements.

## INDIANA.

429 U. S. HOLLINGSWORTH, New Augusta:

Been farming all my life, have 165 acres, raise corn, wheat, hay and oats; am using the McCormick binder, have been familiar with its use since I have been using any. Have noticed improvements the past ten years, the tongue truck, the reel is better, the lower platform is better, the binder does nicer, better work than the older machine. You can buy binders and mowers other than International at Indianapolis, nine miles away. Everything is satisfactory in repairs and expert service. The witness' farm implements cost \$2082; binder, mower and rake \$265, being 12.7 per cent. of total cost of implements.

425 FRANK E. MANN, West Newton:

Have 100 acres, raise corn, wheat, oats; use Deering grain binder, it does better work and runs easier than the binder of ten years ago. The repair and expert service for the binder is entirely satisfactory, so far as the I. H. Co. is concerned, in my dealings with it and its machinery. The witness' farm implements cost \$3370.00; binder, mower and rake \$180.00; implements used in part on other farms,—threshing machine \$2325.00. The per cent. of money invested in the binder, mower and rake is 17.2 per cent. of the amount invested in machinery used en-

## X

*Testimony of Farmers (cont'd.).*

tirely on farm and 5.3 per cent. of the total investment in machinery.

## 327 CHARLES M. McPHEETERS, Terre Haute:

Have 300 acres, raise corn, wheat and clover, some timothy. I have a traction engine and do a little work for my neighbor, but do not make a practice of it. I have been using the McCormick grain binder the last ten years; my present binder bought four years ago, runs lighter and does better work than the other binder. You get better service now than ten years ago for the binder and the mower; I am entirely satisfied with the service. There are three or four farmers who have traction engines in that neighborhood. Help is a tough proposition with us and we are trying to do as much by machinery as we can. I owe the International \$700.00 on this tractor. The witness' farm implements cost \$3145.00, binder, mower and rake \$263.00, being 8.3 per cent. of the total cost of farm implements.

## IOWA.

## XI

## 52 H. H. BAILEY, New Hampton:

I have 500 acres and farm 300; used the Deering binder six years; used the Champion immediately preceding it; have been familiar with the binder previous to and since 1902. The improvements have been marvelous, like going from the wagon to the automobile. It does better work than the make of ten years ago. It runs lighter, three horses run it now, and we used to put on four and six. The repair and expert work is almost perfection itself; live 7 miles from town and in one hour can have an expert or repairs on the farm and ready to work; do not know any period when the farmer has been as fully taken care of in his harvesting machinery as in the period of the last ten years.

## VIII

*Testimony of Farmers (cont'd.).*

439 S. T. BURNS, Whiting:

Farm 160 acres; have a McCormick binder, bought last season; used a Milwaukee bought in 1900 or 1901 before that. The Acme is on sale at Whiting. The man who sells the Acme solicits farmers to buy it; he solicited me. My purchase of the McCormick was my choice as between the machines offered me; there was no compulsion on me to buy one or the other. The witness has \$1,030 invested in machinery, of which 21.8 per cent. is harvesting lines.

## V

714 FRANK ZAHNER, Modale:

I was in the implement business until 1903; have 530 acres, cultivate 230 acres; have used a Deering binder five years, before that I used the Champion. Have observed the binders used in our country; used to handle a great many, have helped start a good many different makes for farmers. In the last ten years they have made them lighter in some respects, and they work more scientifically. In various ways they have been improved. I do not see that there is much difference in price now than in 1896 to 1900.

**KANSAS.**

## VI

518 LEVI RAYL, Hutchinson:

Own 3500 acres. Cultivate 1450 acres. Have bought binders and mowers of several people. Of late years I have bought most of them from the International. They have been satisfactory; have noticed improvements in binders and mowers over those I had ten years ago; have had occasion for expert service and repairs a good many times. It has been furnished satisfactorily. The witness has \$3700 invested in farm machinery, of which 13.4 per cent. is in harvesting lines.

## VI

*Testimony of Farmers (cont'd.).*

## 527 JAMES HASTON, Sterling:

Own 3400 acres; cultivate 400 acres; raise corn, wheat, alfalfa, broom corn, Kaffir corn and cane; have been using binders and mowers of the International. I have been solicited to buy the Acme. I have been furnished expert service promptly. It has been efficient. \$2831.50 is invested in implements, of which 9.9 per cent. is in harvesting machinery.

## 671 MEL SAXON, Cherryvale:

Farm 200 acres. I have lately bought a McCormick binder. I think it is better than the one I had been using before. The witness has \$1138 invested in machinery, 25.4 per cent. of which is in harvesting lines.

**MICHIGAN.**

## X

## 595 ADELBERT T. BORDINE, Dundee:

Farm 310 acres, raise corn, barley, oats, hay and wheat. I have used a Deering binder three years, used Milwaukee previous; quite an improvement in the last over the first one I ever used; there is better balance and the knotter is better and the canvas tighter, and several improvements. Can get any repairs that we want from local agent; a good stock is carried; have not needed any expert service in the last few years; can buy makes of binders and mowers other than International if I want them. I like International machines all right, and you can't buy the others any cheaper. The witness' farm implements cost \$1188.00; binder, mower and rake \$243.00, being 20.4 per cent. of the total cost of implements.

## 599 JOHN O'LEARY, Algonac:

Farmed 200 acres since 1874; raise wheat, corn, oats, beans and some sugar beets. I have an Osborne and a Johnston grain binder and the same in mowers. On the binders and mowers we have never needed an expert, when we wanted some repairs we always got them and

## X

*Testimony of Farmers (cont'd.).*

put them on ourselves, the service was good. The witness' farm implements cost \$2020.00; binders, mowers and rakes \$407.00, being 20.1 per cent. of the total cost of implements.

## 513 J. F. SPAFARD, Manchester:

Been farming 45 years, have 160 acres, raise wheat, oats, corn, some alfalfa, hay, clover and timothy. Use McCormick grain binder; been familiar with its use 35 years. In the past ten years there has been great improvement in them; it runs lighter and there is not so much side draft. Can buy makes of binders and mowers other than International around us. I have been perfectly satisfied with repair service and the expert service. The witness' implements cost \$1057.00; binders, mowers and rakes \$215.00, being 20.3 per cent. of the total cost of implements.

## MINNESOTA.

## 143 J. W. ANDERSON, Braham:

Engaged in farming all my life; have 280 acres of which 70 acres is cultivated, the rest pasture and meadow. Generally I raise oats, corn and hay—not much wheat. I have used the McCormick binder 13 years. In the past 10 years I have noticed improvements in it. The later machine does better work than the older one. The Acme machinery can be bought in our county. I have been solicited to buy an Acme. I bought the McCormick because I thought it the best machine. If some one else would get up a machine I thought was as good or better, I would just as soon buy it. The witness has \$1189 invested in farm machinery; \$196 or 16.5 per cent. is in the binder, mower and rake.

## IX

## 91 LEVI GILLIFORD, Big Lake:

Have been farming 20 years; have 114½ acres and raise corn, oats, potatoes and hay; use a Deering mower and binder and a Keystone side delivery rake; have used the



## IX

*Testimony of Farmers (cont'd.).*

Deering binder and mower eight years; before that I used the McCormick. I was familiar with a grain binder before 1902. The International grain binders have improved since 1902 to the present time. I do not know of any farm implement in general use 10 years ago that has improved more than the makes of International binders and mowers. The facilities for getting binders and mowers and repairs are quite a little better in our neighborhood than they were ten years ago. The farmers have better service with respect to binders and mowers than they had before 1903. The Acme grain binder and the Johnston corn binders are sold in our neighborhood. The witness has \$1388.50 invested in farm machinery and \$225, or 16.2 per cent. in a binder, mower and rake.

346 T. T. JOHNSON, Whalen:

There are 1000 acres in my farm. I cultivate 800 acres; raise barley, oats, timothy and corn. The first harvester we had was the Marsh harvester, and as soon as the Deering came out we got the Deering. I have had different makes, but now I have got the Deering again.. In the past 10 years the Deering binder has been improved. The first one we had was a 6-ft. cut; the ones we have now are 8 ft. and they have the tongue truck and you can raise and lower easier than you could before, and the reel is better. On the new ones we have not got the side draft we had on the old machine; it is easier on the horses' necks. There is no neck weight on the new ones. We can buy the Acme and the Minnesota in our neighborhood. I have had others but I would not have now any but the Deering. The repair service has been very good in the past ten years. We always got experts when we needed them. I have heard no complaint on that score. The witness has \$3673 invested in farm machinery and \$557 or 15.2 per cent. in the harvesting lines. I have three grain binders, one corn binder and two mowing machines. All the machinery I have is needed on my farm.

## VII

*Testimony of Farmers (cont'd.).*

## MISSOURI.

## 36 JAMES R. McMAHON, Burlington Junction:

Am farming 160 acres. I have observed improvements in binders during the last ten years. It does not miss as many bundles, and the bundle carrier we have now is an advantage as to what we used to have. The expert service and repairs are good. Have a Walter A. Wood mowing machine. The Acme is sold around there now. The witness has \$916 invested in farm machinery of which 21.3 per cent. is in the harvester line.

## 31 J. F. MINOR, St. Joseph:

Farms 300 acres. The service has been good all the time. There have been improvements during the last 30 years, the whole of it. The witness' farm machinery cost \$4126; binder, mower and rake \$274, or 6.6 per cent. of total cost of machinery.

## 27 J. EARL LYONS, Higginsville:

Have been farming all my life; farm 400 acres; used a McCormick binder the last eight years; have noticed a right smart improvement in the binder during that time. It is more simple now; the binding part of it is somewhat lighter than it was and it has the tongue truck. We can buy several makes of binders in our territory. The repair service is good. When we need expert service it is always there. The Acme and Johnston binders are sold at Higginsville. I buy the McCormick binder because I prefer it. The witness has \$1952 invested in farm machinery; \$209 or 10.7 per cent. in harvesting lines.

## NEBRASKA.

## V

## 670 CHARLES BURMEISTER, Yutan:

Farm a half section; have been farming 24 years. The Deering, McCormick, Plano, Champion and Acme binders

## V

*Testimony of Farmers (cont'd.).*

are for sale in our territory; first had a Champion binder in 1896; it gave me more or less trouble right along, could not elevate the grain in heavy places; it missed more or less of the bundles, did not make the knots right. I had an expert three or four times, it seemed like he could not improve it much. I then bought a Deering in 1905 or 1906; then I never had an expert on the place; it worked good until last year and then I got a new binder head and it works just as good as ever now. The witness has invested \$1138 in farm machinery, 16.6 per cent. of which is harvesting lines.

## 152 GEORGE SWANSON, Crawford:

Have 7000 acres; 600 acres cultivated. Have been farming 20 years and used various kinds of farm implements. There has been quite an improvement in agricultural implements as compared with 12 years ago, so far as it affects the farmer. The binder is a lighter draft machine, easier to handle and easier on the horses. It lasts longer than they used to. We use less repairs. It is easier to get repairs today than it used to be. It is of great importance to have repairs promptly. I have used McCormick binders 20 years; bought one two years ago and one, ten or twelve years ago. It is a little cheaper today than ten or twelve years ago. Other implements have gone up a little. Everything a farmer raises has gone up so that he can buy a better binder today for half the grain than he could twelve years ago. Can buy any kind of a binder I want to. The reason I buy a McCormick binder is that it is best lasting binder, the simplest to run, and calls for less repairs. The witness has \$3,212 invested in farm machinery, 14 per cent. of which is in harvesting lines.

## VI

## 1 AMOS FRIEDEN, Shickley:

Have 240 acres. Purchased a McCormick binder two years ago because I thought it was the best. The dealer at Shickley said I have a good Acme here that we will let you have for the same money; I told him I would not have an Acme under any consideration, so I 'phoned Mr.

## VI

*Testimony of Farmers (cont'd.).*

Spear at Geneva and got a McCormick, used a Deering before that: bought a Deering in 1898, and another four years ago; used it two years and shipped it to Canada. I did not use much repairs. The Acme Queen, Johnston and John Deere are all sold around there.

## NEW YORK.

## XII

## 87 GEORGE B. BROPHY, Oneida:

Have 190 acres; use a McCormick binder bought in 1905; previous to that used McCormick binder bought in 1896; the last machine was the more efficient, works more perfect, and easier, and has no side draft. We raise oats, peas, sweet corn, yellow corn and raise some wheat. When I bought this McCormick there were Johnston and Wood machines on sale in our vicinity. The witness' farm implements cost \$1082.50: binder, mower and rake \$336.00, being 31.5 per cent. of the total cost of implements.

## 20 C. R. CHERRY, Tonawanda:

My principal crops are wheat, oats, hay, cabbage and potatoes; have 290 acres; use McCormick binder, McCormick mower, Champion mower, Champion rakes and Osborne rake. The binders bought in the last ten years, compared with the ones bought earlier, have better material and are lighter draft; I bought my last McCormick six years ago. I have cut about 100 acres each year, on the average, of grain with the binder during the last six years; with the exception of what I spent for sections, I have spent only about 35 to 50 cents for repairs. I know of no other farm implement that has been used by me on the farm that has improved more in the last eight or ten years than the binder and I do not know of any that has increased less in price. The repair service is very good; we do not need expert work. The Johnston and the Adriance-Platt binders are offered for sale in our neighborhood. McCormick binders are mostly used in our neighborhood; I do not know the reason outside of good results they get out of them. The witness' farm implements cost

## XII

*Testimony of Farmers (cont'd.).*

\$1699.00; binder, mower and rake \$368.00, being 21.7 per cent. of the total cost of implements.

## NORTH DAKOTA.

## IX

## 466 J. E. BAKER, Devils Lake:

Have 800 acres in farm, 700 acres under plow; raise wheat, oats, barley, flax, rye, a little corn, sometimes timothy, and millet; use the McCormick binder and Deering mower; have used the McCormick binder for the last ten years altogether; used them off and on on the old home farm before that. Have noticed a big improvement in the McCormick binder and Deering mower in the last ten years,—adding the reel support, a change in the knotter head, automatic chain tighteners and one thing and another like that. The repair service is all right; never had to call for experts; can buy makes of binders and mowers other than International in our neighborhood; buy the McCormick binder and Deering mower because I prefer those makes; have three grain binders, a corn binder and a mower. The witness has \$2942 invested in farm machinery, 17.6 per cent. of which is in harvesting machinery. \$500 of my machinery is used for threshing for neighbors after mine is done.

## 480 J. E. EASTGATE, Larimore:

Have 365 acres and farm 300 acres; now use McCormick binders and mowers; have been familiar with the use of them 13 or 14 years; it is a better machine now, and does better work than ten years ago; get good repair and expert service with the McCormicks; can buy binders and mowers other than International 14 miles away; buy the McCormick because I prefer that, and not because I have to. The witness has \$1586.20 invested in farm machinery of which \$215 or 13.6 per cent. is in harvesting lines.

## 482 CHARLES W. PLAIN, Milton:

I have between 9,000 and 10,000 acres in my farm. I have been farming 25 years. I started with 320 acres.

## IX

*Testimony of Farmers (cont'd.).*

From 1881 to 1888 I was employed as an expert machinist by William Deering & Co. From 1888 to 1900, I was in the implement business as well as farming, at Milton, N. D. I have used the McCormick and Deering binders, at present I have 22 binders. I have a considerable acquaintance with the farmers in my county and the surrounding counties. I have canvassed considerably among the electors there. I was elected to the House of Representatives 20 years ago. The next year I was elected to the Senate, and four years after I was defeated, but have been since twice elected, and am a State Senator now. In my canvass among the electors, in a general way I have become acquainted with the conditions of farm machinery and farmers generally, what machinery is used, and generally how the farmers are treated and have heard them express themselves as to conditions there. In a general way I have always understood that the farmers were very well satisfied with the treatment of the I. H. Co. in our county. For instance, a year ago there was a great twine scare with us up there and it was generally acknowledged that twine was going to be awfully scarce and awfully high, and I believe it was very scarce. Twine was shipped in there by express in carloads; car after car came into that part of the state by express. The I. H. Co., as I understand it, kept the same old price, and the only addition that the dealers and the farmers had to pay was the difference between freight charges and express charges. The farmers seem to be satisfied with the treatment they are getting, and that is generally true so far as I know. In the past ten years the Deering and McCormick machines have been wonderfully improved—the lightness of the draft, and the taking away of the side draft from the machines. The repair service has always been good. I do not know of anybody who has ever been refused expert service. They do not require as much expert service now an account of the machines being simpler and better, and many farmers are expert themselves. The reason I use 22 Deering and McCormick binders is that they are standard machines and you can always get repairs for them. I know by experience that they are good machines and give good service. I have something like 8000 acres in small grain, wheat, oats, barley and rye,

## IX

*Testimony of Farmers (cont'd.).*

about 100 acres would be tame hay. I use about 16,000 pounds of twine a season; the price varies sometimes. Figure it about 10 cents a pound. I bought my twine from Lindsay Brothers last season—Plymouth twine. If the service was not kept up and the excellency of the machines constantly improved and perfected they would not remain popular very long on the trade name of McCormick and Deering. I should say farmers would soon find it out and quit them.

## OHIO.

## XI

## 194 HENRY HARRIS, Wilmington:

Have 200 acres; raise corn, wheat, oats; use Milwaukee binder, bought in 1904. The repair service rendered in connection with the Milwaukee binder has been good; I have had breaks, but have never been delayed to amount to anything; the repair service has been satisfactory. Could have bought other makes of binders at the time I bought the Milwaukee. The agricultural implement business taken as a whole today is better compared with ten years ago so far as it affects the farmer. The witness' farm implements cost \$3341.00, harvester, mower and rake \$170.00; implements costing \$1200.00 are used in part on other farms. The cost of the binder, mower and rake is 7.9 per cent. of the cost of the implements used on farm and 5.8 per cent. of the total cost of my implements.

## XII

## 262 CHARLES F. KREITLER, Warren:

Have 208 acres, use McCormick binder purchased 1904; mower purchased 1906; bought repairs for farm machinery before and since 1902; facilities for getting repairs are better than prior to 1902. The Adriaance-Platt and Johnston binders and Thomas mowers are sold in our locality; the farmers are canvassed to buy them. The witness' farm implements cost \$1507.00; binder, mower and rake \$189.00, being 12.5 per cent. of the total cost of implements.

## XII

*Testimony of Farmers (cont'd.).*

258 F. C. YODER, Lewisville:

Been farming 16 years; have 191 acres; use McCormick binder bought three years ago; used McCormick before that I bought six years ago and before that a McCormick bought in 1897. I purchased one binder before 1902 and two binders since 1902, the last one is the best. I use McCormick mower purchased three years ago and used a McCormick before that purchased eight or nine years ago, the last line is the best. I purchased repairs for farm implements before and since 1902; the repair service since 1902 is better than it was before. The witness' farm machinery cost \$2210.00; harvester, mower and rake \$220.00, being 10 per cent. of the total cost of implements.

## OKLAHOMA.

## VI

393 GEORGE L. BISHOP, Cordell:

Have 480 acres, cultivate 300 acres. The condition of the farm implement business today generally has improved very much during the past 12 years, so far as it affects the farmer; it is satisfactory. Bought my Deering grain binder and my McCormick mower and rake because they are standard and I have known them all my life. I have been solicited to buy other makes and could have done so in my county. The witness has \$2544 invested in farm machinery of which \$237 or 9.3 per cent. is in the harvester lines.

654 JOHN F. SMITH, Oolagah:

Have 600 acres, cultivate 500 acres; lived there 20 years. I have an Acme and a Deering grain binder. I bought the Acme a year ago last summer, at Oolagah. Have had occasion to call an expert to adjust machinery made by the I. H. Co. several times: the last time was two years ago. It was furnished free. The witness has \$1840.50 invested in farm machinery and \$372 is in harvesting lines, which is 20.2 per cent. of the total.



## VI

*Testimony of Farmers (cont'd.).*

## 361 JOHN WELTER, El Reno:

Raise wheat, oats, corn, alfalfa, Kaffir corn—most anything that grows. My farm is 1760 acres—1200 to 1300 under cultivation. I have had occasion to call for repairs for binders and mowers recently and got them promptly. The last five years we used nothing but McCormick binders. The binders have been improving considerably. I find improvement in all the machinery I have bought the last 12 or 15 years. The witness has invested in his farm machinery \$3,267; of this \$483 is in binders, mowers and rakes—14.8 per cent. of his total agricultural machinery investment.

## PENNSYLVANIA.

## XII

## 297 L. A. PECK, Fort Hill:

Have 1100 acres, farm 400 acres; we use two 7-foot McCormick binders, one purchased five years ago and one two years ago; the one purchased last is the better. The first binder I had was a Walter A. Wood, the next a McCormick; I had a McCormick which I purchased along in 1898. The two binders purchased five years ago and two years ago are better binders than the one purchased in 1898. I have two Walter A. Wood mowers and one Champion mower; I purchased the Champion mower two years ago. I had a second-hand McCormick mower purchased in 1903. The Champion mower is a better mower and does better work than the old McCormick mower. I have bought repairs for farm machinery before and since 1902 for my binders and mowers; I consider the repair service since 1902 much better than before 1902; I consider the repair service better now than it used to be. The witness' farm implements cost \$2681.00; binders, mowers and rakes \$426.50, being 15.9 per cent. of the total cost of implements.

## 167 JOSEPH KILMORE, Bowmansdale:

Have 81 acres; have been farming since 1872; have used the Deering and Buckeye binders on the farm I now

## XII

*Testimony of Farmers (cont'd.).*

live on; bought the Buckeye in 1889; the first Deering I got in 1903; I bought another Deering last year which is the best binder I ever owned. I have a Deering mower which is the best I ever had, it is an improvement over all the others. I have been cared for in the matter of repairs and help in the last ten years better than prior to ten years ago. I know of no farm implement of general use for the last 20 years that has increased in price less than the binder in the last ten years. There is no implement on the farm that has improved more in the last ten years. I could have bought the Adriance-Platt binder, the Osborne or the Johnston, but I preferred the Deering. The witness' farm implements cost \$710.25; binder, mower and rake \$158.00, being 22.2 per cent. of the total cost of implements.

## 155 H. E. RIDDLEMOSER, McKnightstown:

Have been farming 33 years: the first binder I bought 32 years ago was a Deering; I have bought five or six different binders since; I have purchased three since 1902; I bought my last binder last March, a Deering; I bought one two years ago, that was a Johnston; I bought one a year or two before that, a McCormick. I bought two binders immediately prior to 1902. I buy implements for four or five farms. The Deering binders bought since 1902 were better than the Deering binders bought prior to 1902. I have purchased repairs for implements before 1902 and repairs from the I. H. Co. since 1902. The repair service furnished since 1902 by the International is better than the repair service which was furnished by the other companies prior to 1902. The witness' farm implements cost \$2197.00; binder, mower and rake \$180.00, being 8.2 per cent. of the total cost of implements.

## SOUTH DAKOTA.

## VIII

## 360 J. A. CARR, Webster:

Have been farming 30 years; have 320 acres. I bought my last binder in 1904. If a man is buying a machine he generally looks over the quality of the machine, whether

## VIII

*Testimony of Farmers (cont'd.).*

it is of heavy or light draft. They would naturally buy of a company that keeps their extras on hand, or close by, for, if a man breaks down he might have to wait a week for an extra, and it would be a big damage to him to let his grain stand; delay means probable loss. The Deering, McCormick and Acme are on sale at Webster at the present time. The farmers around Webster are solicited to buy Acme as well as other machines and the merits of the various machines are discussed, and the competition is active down to the farmer. The repair service has been good.

## 326 JOHN MEYERS, Aberdeen:

Have 490 acres. If harvesting machinery breaks in harvest time it is very important to have repairs promptly. The repair service provided for a particular binder is a very important consideration to the farmer in determining his choice of the binder he will buy. At Aberdeen the Deering, Johnston, Acme and the Deere binders are sold. The Deere was on the market last year; one of them was sold in my neighborhood. The durability of a binder and the lightness of the draft compared to its strength enter into the question of the value of a binder to the farmer. The binder bought last was improved over the one bought 16 years ago. The repair service furnished has been very good; have never needed any expert service. The repair service is in furnishing parts that wear out; it has been very satisfactory. The witness has \$5978 invested in farm machinery, \$413 is in harvesting lines which is 7.3 per cent. of the total investment.

## 273 JOHN McRODEN, Henry:

I farm between 800 and 900 acres. The Acme and Champion binders and mowers are handled at Henry, and the Deering and Acme rakes, and the Dain mower. Prior to 1902 I had the Buckeye, Plano and Wood binders. I have had experience with them all. Since then I have bought the Deering altogether; bought my last binder 5 or 6 years ago, a Deering; had a Deering ahead of that and a Deering ahead of that again. The only thing there

## VIII

*Testimony of Farmers (cont'd.).*

was improved on mine was the tongue truck, it pulled the easiest; springs around the corners easier and is easier on the horses' necks. Had an Acme about 18 years ago; the Acme has been sold there continuously for 18 years. Most of my neighbors have a McCormick or a Deering.

## WISCONSIN.

## XI

## 369 H. E. FAIRBANKS, Plainfield:

Farm 160 acres; use a McCormick binder, bought two years ago. Previously used an Osborne bought in 1890. The one I bought two years ago is one foot wider and is as easy draft as the 6-ft. of older make; repair service is better than ten years ago; bought the McCormick from choice and not compulsion. I was canvassed to buy other binders. Witness' farm machinery cost \$1874 and harvesting lines \$188, or 10.3 per cent. of the total.

## IX

## 9 ANTHONY P. STEPHENS, Baldwin:

Have 420 acres, cultivate 240 acres; have a McCormick grain and Deering corn binder; have been familiar with the grain binder since 1882, or 1883. In the past ten years the grain binder has been so improved that the older binder is outclassed altogether, runs smoother and lighter and does better work. I have found the repair service good and satisfactory the last ten years. You can buy binders other than International around there, Baldwin, New Richmond, Ceylon. I buy the International because I am sure I am never stranded for extras. (List shows machinery \$1679. Harvesting machinery \$367, or 21.9 per cent. of the total.)

## 9 JOHN QUILLING, Elk Mountain:

Have 300 acres and cultivate 200 acres; use the Champion Harvester and McCormick mower. I have used the Champion about 18 years. It has improved quite a little in the last ten years; it runs lighter and does its work

## IX

*Testimony of Farmers (cont'd.).*

better. I think the repair service is better than ten years ago. I got all the expert service I wanted the last ten years; can buy other makes of binders and mowers. I buy the International make because I prefer it. Witness' list of machinery shows investment of \$2196 and harvesting lines \$188, being 8.6 per cent. of the total investment.

**IMPLEMENTS ON THE FARM.****PROPORTION OF COST OF BINDERS, MOWERS AND SULKY HAY RAKES TO TOTAL COST OF FARM EQUIPMENT.**

## I

487 JOHN L. COULTER—expert statistician of the Census Bureau—called by Petitioner:

492 “I should say the harvester, mower and rake for taking off the crop would be somewhat more than half of the total mechanical equipment of the average farm, between 100 and 175 acres.”

*Experts Called By Defendants.*

## VI

40 L. W. CHASE:

Am Head Professor of Agricultural Engineering at the University of Nebraska, and a member of the Society of Mechanical Engineers and Agricultural Engineers. Part of my duties are to teach students how to select and care for farm machinery.

45 The witness gave a list of implements needed on an average 160 acre farm in the middle west. Omitting the gas engine (\$150) and the shredder (\$150), the total cost of the farm implements on that list amounts to \$956; the cost of binder, mower and sulky hay rake \$196 or 19.4%.

The witness gave a list of the implements and their cost for equipping a 240 acre farm in the middle west which shows a total investment of \$1433; the cost of the binder, mower and sulky rake was \$220 or 15.4%.

## VI

*Cross-Examination.*

48 The witness prepared a list of machines and their cost for an 80 acre farm devoted entirely to small grain, showing a total investment of \$612, of which the cost of the binder, mower and hay rake was \$196 or 33.9%.

49 The witness prepared a list of implements necessary for a 240 acre farm devoted entirely to small grain, which shows an investment of \$919 in agricultural implements, of which less than 40% is represented by the cost of the binder, rake or mower.

## X

20 FREDERICK R. CRANE:

I am in charge of the agricultural extension work for the Great Northern Lines.

23 The witness gave a list of the farm machinery and its cost on his 290 acre Minnesota farm, showing a total investment of \$963.50; the cost of the binder, mower and rake was \$223 or 23.1%.

## XIII

67 J. B. DAVIDSON:

I am Professor of Agricultural Engineering at the Iowa State College, and a member of the American Society of Agricultural Engineers. I teach students at the College what farm machinery is necessary to operate a farm.

71 The witness gave a list of machines, and their cost, in use on the average Iowa farm, showing a total investment of \$884; the cost of the binder, mower and rake was \$196 or 22.2%.

## XI

L. T. JOHNSON:

I am Superintendent of the Insane Asylum at Richland Center, Wisconsin. That Asylum has a farm. I have made a study of the farming industry for 15 years. The average size farm in Richland County is 91 acres. I know the amount of machinery found upon such farms.

365 The witness gave a list of implements found upon a 91 acre farm, showing a total investment of \$725; the cost of the binder, mower and rake was \$191 or 26.3%.

The witness gave a list of implements found upon 40 acre farms, showing a total investment of \$677; the cost of the binder, mower and rake was \$191 or 28%.

*Farmers' Lists.*

201 of the 228 farmers called by the defendants, all of whom came from the 15 principal grain-growing staets of this country, gave lists showing their total investments in agricultural implements. The sum of their investments in agricultural implements as shown by these lists was \$469,481.40; the sum of the amounts invested in binders, headers, mowers and sulky hay rakes was \$61,687.45 or 13.1%.

It appears from the testimony that \$66,290.50 of the sums given by the lists was invested in implements used in part upon neighbors' farms. The lists, therefore, show an investment of \$403,190.90 in machinery used exclusively by the farmers upon their own farms; \$61,687.45, the cost of the binders, headers, mowers and sulky hay rakes, therefore, amounts to 15.2% of the investment in machines used wholly upon the witnesses' own farms.

## IV.

**TRADE IS NOT RESTRAINED; THE FIELD IS FREE  
AND OPEN.**

**Competitors of International Harvester Co.**

I

(CLARENCE S. FUNK (witness for petitioner) :

1 I am general manager of the I. H. Co.

20 I had a share in preparing the figures on page 55 of defendants' answer (the list of various machines manufactured by I. H. Co. with number of competitors in each machine). I will prepare an itemized statement of the names of the different manufacturers who are broadly classified on page 55.

22 In 1902, besides the companies which went into the Harvester Company, of New Jersey, there was the Johnston, of Batavia, N. Y., the Walter A. Wood, of Hoosick Falls, N. Y., the Adriance-Platt, of Poughkeepsie, N. Y., and the Acme, of Peoria, Ill.

*Competitors of the I. H. Co.*

56 The paper you hand me is a list of competitors in the various lines of goods manufactured by the I. H. Co. I made it from what I consider the best available sources of information—largely from two standard directories, the Buyers' Guide of 1912, issued by the Farm Implement News, and the Implement Blue Book of 1912, published by the Midland Publishing Company, of St. Louis.

57 I have a general knowledge on the subject, gained from my experience in the business. Based on my investigation and personal knowledge, the number of competitors in motor vehicles in the United States in 1912 was about 40, but I have cut my estimates down to 25, because they are going in and coming out.

In corn binders the number of competitors is 4. The corn binder business is essentially an emergency business. The demand fluctuates widely from year to year, depending on the corn crop primarily, and on the hay crop largely. Farmers use corn binders generally in a year of a short hay crop, to save corn stalks for fodder. Many,



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farmers buy corn binders who probably would not do so were the hay cheap and plentiful. The demand develops about the time the hay crop matures, speaking generally, late in the summer.

58 In corn huskers and shredders we have 15 competitors; in corn pickers 3. The corn picker I would regard as barely out of the experimental stage; its sale is very small.

In corn shellers we have 40 to 50 competitors. The International makes a very small amount of them. We have 55 competitors in corn planters. The International makes a very insignificant line of them.

In cream separators we have 15 to 20 competitors; in cultivators 75. The International makes a small quantity of riding and two wheel sulky cultivators.

In gasoline engines we have 150 to 175 competitors, this estimate being based on the best information I could get. I do not remember what are the largest engines we build.  
59 I should say from one to thirty horsepower. Speaking generally, they are built for farm use, but the 20, 25 and 30 horsepowers are frequently bought for cheese factories, dairy plants, and small electric lighting establishments.

The feed grinder grinds corn for feed. That is a very insignificant line. Generally they are hand grinders. I have found 78 competitors in that line of manufacture.

In grain binders we have 8 competitors; in harrows 85. Broadly speaking, harrows may be divided into peg tooth and disc. There is a variety of combinations of those. There is also a spring tooth harrow. In making these estimates, I put them all together. A manufacturer usually makes all kinds if he makes any.

There are 27 competitors in hay stackers; 15 to 20 in  
60 hay tedders; 14 in hay loaders; 25 in hay presses. I think that is low. The I. H. Co. makes a power press and a belt press; the latter are used with gasoline engines. They are rated by the weight of the bale they press.

In manure spreaders there are 28 competitors; in mowers 14.

In side delivery rakes we have 15 competitors; in sulky rakes 50 to 60. Both are riding rakes. No other kinds of rakes are manufactured for farm use in large quantities. There is also the walking rake.

In reapers there are 3 competitors. A very limited and

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dwindling number are sold in the United States, in localities where crop conditions are uncertain and a farmer does not want a self-binder—some in the East, South and extreme West, where farms are small and rough. The reaper preceded the binder. In the earlier times all har-

61 vester manufacturers made reapers; binders gradually supplanted them.

In tractors there are 45 competitors; in wagons 103, who make, say over 1000 wagons apiece. There are no statistics as to how many small dealers, blacksmiths and wagon makers there are in the country making a few wagons each year.

In binder twine there are 16 other manufacturers. Besides sisal and manila, istle is used for binder twine. This comes from Mexico. The I. H. Co. uses a small amount of it. It is more like sisal than manila. It is of a finer texture and comes in limited quantities. It is only

62 grown in portions of Mexico.

64 In 1902 the Deering Company conducted extensive experiments on gas engines, and the McCormick and Deering Companies had quite ambitious plans prior to 1902 for extending into the general implement business.

I think the McCormick Company was making some corn pickers, and huskers and shredders. In volume these do not compare in importance with binders and mowers.

Generally speaking, the old companies' businesses were confined to the harvester line.

The other articles on my list are non-harvesting implements, upon the manufacture of which the Harvester Company has entered since 1902.

The principal lines of harvesting implements are binders, mowers, reapers, rakes, twine and corn binders.

65 The list was prepared under my direction and checked over by me.

Grain binders are the most important branch of harvesting implements. The Implement Blue Book, p. 27, shows 5 competitors of the International Harvester Company in grain binders—the Acme, the Adriance-Platt, the Seiberling-Miller, the Johnston and the Wood.

It is impossible for any one to have an accurate knowledge on the proportion of grain binders made in this country by the I. H. Co. My best estimate would be about 70 per cent.

66 The Adriance-Platt, the Johnston and the Wood were

doing business in 1902. I think the Seiberling-Miller have come in since. It is a small company so far as binders go.

My best estimate would be that the International does 60 per cent. of the mower business.

Corn binders are an important line in special years. The Blue Book, p. 27, shows the Adriance-Platt, the Johnston and Wood make corn binders. I might explain that where I have knowledge that there are others which are not listed in the Blue Book, I have included them in my list. Though the Blue Book is a standard in the trade, in some cases its lists are incomplete.

*New Competitors in Binders and Mowers.*

69 I think the State of Minnesota has about \$1,000,000 worth of equipment applicable to the manufacture of binders and mowers. The Independent Harvester Company has a small plant at Plano, Ill.

Deere & Company has a new plant for building binders and mowers at Moline, Ill. They took over the line of mowers made by the Dain people. They started first at Kansas City, Mo. They are also building Dain mowers at Moline. They have built a new plant for making binders. This plant is the best and most modern harvester plant in this country outside of some of the Harvester Company's.

70 I do not know definitely how many binders Deere & Company have sold. They are planning to build 5000 binders for 1912. This is their second season in the business. They did not sell that many last year. We regard them as being sufficiently established in the binder business to be classed as manufacturers of binders.

I do not know accurately how many binders the Minnesota State Prison sells. They ship some machines out of Minnesota, but the principal part of their product is sold there.

The Independent Harvester Company was organized in Chicago and has since been selling stock to farmers.

The Minnesota prison and the Deere both entered the business within a few years.

Testimony of competitors of the I. H. Co. who testified as to the condition of the agricultural implement trade.

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WITNESSES FOR PETITIONER.

III

362 HARDING ALLEN:

I reside in Barre, Massachusetts, and do business as Charles G. Allen Company. The business was established by my father about 1873. I make sulky rakes and knife grinders for use on mowing machines. I sell the output to the Whitman & Barnes Manufacturing Company and have done so since 1899. The grinders are used for sharpening the knives or sections on mowing machines.

*Output of Chas. G. Allen Co.*

I have prepared a statement from our books showing  
363 the number of mowing machine knife grinders manufactured:

In the year 1902 we made 4000; 1903, 10000; 1904, 2000; 1905, 3000; 1906, 6000; 1907, 6000; 1908, 6000; 1909, 3000; 1910, 3000; 1911, 3000.

We sell our rakes in New England and New York State; hardly any outside of those states. The business was started in 1873 and we took it over in 1896. I have prepared a statement of the hay rakes sold by us, as follows: 1902, 655 machines; 1903, 674; 1904, 832; 1905, 1039; 1906, 1024; 1907, 1203; 1908, 1200; 1909, 1334; 1910, 1523; 1911, 1411.

377 A. C. ATWATER:

*American Sales of Johnston Harvester Co.*

I live at Batavia, N. Y., and am secretary of the Johnston Harvester Company. Its principal business is in harvesting machines, but it also manufactures tillage implements. It has a foreign as well as a domestic business. I produce a statement showing our sales in certain implements in the United States (Petitioner's Exhibit 246):

III

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"The Johnston Harvester Co.  
American Sales.

|                            | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|
| Mowers                     | 2416 | 2527 | 3300 | 4456 | 5814 | 6047 | 6386 | 7011 | 8457 | 7026 |
| Reapers                    | 270  | 272  | 267  | 341  | 366  | 263  | 228  | 265  | 352  | 235  |
| Binders                    | 780  | 1002 | 918  | 1766 | 2655 | 2653 | 2528 | 3026 | 3468 | 3027 |
| Corn Bdrs.                 | 711  | 528  | 625  | 474  | 781  | 983  | 1015 | 1576 | 1638 | 3150 |
| Headers                    | 220  | 203  | 202  | 155  | 35   |      |      | 5    | 7    | 46   |
| Rakes                      | 2056 | 1855 | 2237 | 2802 | 4368 | 5030 | 4905 | 5497 | 6098 | 5200 |
| Tedders                    | 623  | 1051 | 2017 | 1982 | 2552 | 1675 | 2250 | 1889 | 2232 | 909  |
| Cultivators                | 763  | 931  | 1308 | 1198 | 887  | 767  |      |      |      |      |
| Harrows                    | 4198 | 3869 | 5164 | 5333 | 5713 | 5605 | 2977 | 4348 | 4399 | 4087 |
| Spring<br>Tooth<br>Harrows | 1048 | 2117 | 2610 | 2764 | 2825 | 2490 |      |      |      |      |

We have seven general agencies from which we distribute our products. One is in St. Louis; the remainder are in the East. We sell in the West through jobbers.

*Capital Stock of Johnston Co.*

The capital stock of the Johnston Company is \$2,000,000, of which \$1,800,000 has been issued. The Massey-Harris Company is a Canadian manufacturer of harvesting machines. It owns about two-thirds of the capital stock of the Johnston Harvester Company. The businesses of the two corporations are conducted entirely separately.

*Cross-Examination.*

In Exhibit 246 I gave all the machines the Johnston Harvester Company makes for this country. I do not think they have taken on any new lines in the United States since 1902. We do, however, market other lines, such as manure spreaders.

*Massey-Harris, Consolidation of Canadian Manufacturers, Controls Johnston.*

I understand that the Massey-Harris Company is a Canadian corporation which resulted from a consolidation of certain Canadian manufacturers. Massey-Harris acquired the controlling interest in the Johnston Company's stock in December, 1910.

Our business in mowers, reapers and binders steadily increased from 1902 to 1910. The increase in binders is about as extreme as any of them. I listed the corn binders separately. There has been a steady increase in

380

III

that business also in the United States. The same is also true of rakes.

381 At the time Massey-Harris people bought, I was secretary of the Johnston Company. All that I know about the reason they purchased was what I got out of newspaper interviews, notably one with Sir Melvin Jones in the Toronto Globe.

The paper handed me, according to my judgment, is a correct statement of the interview.

382 DEFENDANT'S EXHIBIT 12, objected to as incompetent, purports to be an interview in the Toronto World of January 12, 1910, with Sir Melyvin Jones, President and General Manager of the Massey-Harris Company, giving as reasons for the purchase of the Johnston plant at Batavia, N. Y.;

Its ideal situation for export trade; low freight rates to the Atlantic seaboard; goods can be manufactured there more cheaply and delivered abroad than from Canada. The Massey-Harris Company can compete with the American Harvesting Companies abroad because the prices in foreign countries are higher than in Canada.

383 Since the Massey-Harris purchase we have considerably enlarged the capacity of our plant, and put up new buildings, one about 500x80, another was a small gray iron foundry. We also made an addition to the malleable plant. We employ in the plant about 400 or 500 more men than when the Massey-Harris bought. Our buildings were constructed with reference to an expected increase even beyond that.

East of the Mississippi we market our output through general agents and then through the local dealers. That is also true of St. Louis, whose general agency covers Missouri and parts of Illinois, Kentucky and Tennessee. Undoubtedly the number of our local implement dealers has increased. West of the Missouri river, except in Missouri, we handle our business through jobbers; at Omaha, through the Liniger Implement Company.

384

*Re-direct Examination.*

Since 1902 sales of headers have decreased and we have discontinued cultivators and spring tooth harrows. Our sales of the other harrows, principally disc harrows,

III

has not increased. Our foreign business is approximately the same as our domestic business.

*Re-cross Examination.*

385 In 1902 the foreign business was very much larger than the domestic business.

II

181 A. H. BAYSTON:

182 I am an officer of the Independent Harvester Company located at Plano, Ill., which is engaged in the agricultural implement business. Our company was organized in 1904 or 1905.

*Business of Independent Harvester Co.*

In 1905 we made only a sample mower. No mowers were made until 1910. In 1910 we made 194; in 1911, 1121. We made no grain binders until 1909. That year we made 6. 1910, 135; in 1911, 560. In 1905 we made 5 corn binders; in 1906, 21; in 1907, 16; in 1908, 4. We made none in 1909 and 1910 but we made 6 in 1911. A grain elevator and dump is a machine which operates by power and conveys the grain to the second story of a barn or granary. In 1909 we made 50; in 183 1910, 250; in 1911, 550. The Independent Harvester Company was organized under the laws of Maine. William C. Thomson is president. L. Lye, Ning Eley, C. W. Powers and myself are the officers.

*Cross-Examination.*

*Paid up Capital Nearly \$5,000,000.*

Our company was organized to enter the business of manufacturing agricultural implements. The authorized capital is \$10,000,000. The paid up capital at present is nearly \$5,000,000. Our company took over the business of the Kellogg Harvester Company; is virtually 184 a reorganization of that company. Commercially our corporation has only existed actively since 1907.

I am the head of the Accounting Department; I have never been a director. I think in 1912 the company made a little less than 2750 mowers.

## II

*Output of Various Machines.*

185 I think in 1912 we made 1921 binders. In 1912 we made 690 portable elevators. The leading article of manufacture from the start has been manure spreaders.  
 186 Their manufacture has grown enormously: In 1906 we made 13; 1907, 48; 1908, 341; 1909, 1169, 1910, 1505; 1911, 1305; the year 1912 is incomplete.

We also make plows, cultivators and harrows; in all about eighteen different lines. I think this year we made something less than 2000 plows—from 1500 upwards.

187 We were not in the plow game until 1910.

We have been making harrows two years. There is a line of pipe harrows for which the schedule runs up pretty high, about 2500. Taking in all the harrows, I think we make between 3,000 and 4,000.

187 We make listers, but that is a small element with us.

188 We are commencing to make corn planters, but they are still in the experimental stage. We expect to go ahead and make a success of it.

We make cultivators and have been making them since 1910. There has been a decided increase this year over last year; we made a couple of thousand cultivators.

189 This is our first active season in gasoline engines and we have met with good success.

This present year we have made close to three-quarters of a million dollars of gross sales. The last three years the output has been doubling each year over the preceding one.

*Re-direct Examination.*

190 We have about 23,000 farmer stockholders and have created our own market largely amongst our stockholders.

*Re-cross Examination.*

We have used local dealers to some extent but not in the sense the International does. In selling to farmers we have to meet the competition of the other manufacturers. A farmer will not buy of us unless it is to his interest to do so. We have branch houses in a dozen or more states.



III

216 H. H. BEAM:

Secretary of the Thomas Manufacturing Company at Springfield, Ohio. We make hay or grass harvesting machines, but no grain harvesters; a steel tooth hay rake; a cylinder side delivery rake, and a hay loader and tedders. We do not make any sweep rakes. I have produced statement showing the output of our company in the lines named (Petitioner's Exhibit 191):

*Output of Thomas Mfg. Co.*

217 Output of Thomas Manufacturing Company, Springfield, Ohio.

|      | Mowers | Rakes | Tedders | Loaders |
|------|--------|-------|---------|---------|
| 1902 |        | 6000  | 2800    | 1500    |
| 1903 |        | 3300  | 3600    | 2000    |
| 1904 |        | 2300  | 3500    | 2000    |
| 1905 |        | 2400  | 2100    | 1700    |
| 1906 | 275    | 2700  | 2100    | 1700    |
| 1907 | 900    | 2500  | 600     | 1200    |
| 1908 | 1400   | 2800  | 1200    | 1800    |
| 1909 | 2200   | 2600  | 1200    | 1400    |
| 1910 | 3200   | 2900  | 800     | 1200    |
| 1911 | 3400   | 2400  | 400     | 400     |

We manufacture other implements. We were obliged to take on other lines of seeding machines, grain drills, etc. The basis of our business before that, however, had always been grass harvesting machines. The old firm which preceded the Thomas Company was organized as a rake company.

218 I am familiar with the competitors of our company selling seeding machinery. The largest single manufacturer of grain drills and kindred machines is the American Seeding Machine Company. They have two plants, one at Springfield, Ohio, in which they manufacture three lines of drills, and the other at Richmond, Indiana, in which they manufacture the "Hoosier," and "Kentucky" and the "Empire" lines.

At the Springfield plant they manufacture the "Superior," the "Bigford and Huffman" and the "Buckeye." Those are the trade names under which these machines were originally made and sold at each factory, and the American Seeding Machine Company has kept the old names.

## III

Of the domestic trade in seeding machines, I should say the American Company does 60 per cent. on the average, possibly more. I think the Springfield plant turns out a little more now than the Richmond plant; about three-fifths as against two-fifth of the output. The Springfield plant has always done a larger business. The division may be closer to half and half.

A grain drill is a machine mounted on wheels with a hopper and outlet through which the grain is conveyed into the furrows. A seeder is a machine that broadcasts seed. It is largely passing out of use. A sower is a machine that broadcasts grass seed. Its sale is decreasing to-day because better results are obtained in drilling the seed and getting it into the ground. Timothy and clover seed are being drilled largely by a special machine made for that purpose. We appreciated the fact that we were gradually losing out on the grass harvesting machine line, and we had to do something or else we would soon see our finish, so we started in on the grain drill line which promised a better field for us at that time.

226

*Cross-Examination.*

We put drills on the market in 1903 or 1904, I have forgotten just the year. We put out about 100 the first year.

*Thomas Co. Entered Mower Business in 1906.*

In 1906 we went into the mower business by purchasing the mower which had been developed and sold for many years, by the Janesville Machine Company. It was originally built about 50 years back. The first year, 1906, we put out comparatively few mowers. We were experimenting, and wanted to get acquainted with the machine and did not want to chance it, you know.

There has been a constant, steady and healthy increase in our business in the manufacture of mowers. Our business has increased in seeding machines in proportion somewhat like to the mowers. The growth of our business in mowers would fairly and in general reflect the growth in our seeding machinery.

We did not want to take on larger lines, but the longer line seemed to be the policy of our competitors. Whether it was advantageous or not was a question. In business generally, the longer line is being attempted. It seems to be the notion of some people, but this machine business

III

is a complicated business, and the less you have the better  
229 it is for you. It gets too complicated. That is the reason  
we fought it off so long.

Our new lines are a full line of seeding machines, grain  
- drills and kindred machines. They are many in styles  
and sizes, particularly in the multiplicity of sizes. It is  
a very complicated business. We have always made disc  
harrowes in a limited way, and lawn mowers. They are a  
side line.

230

*Re-direct Examination.*

Q. What caused the drop in the output of rakes from  
6,000 in 1902 to 2,400 in 1911? A. Well, we were in-  
adequate to meet the selling conditions of the market.  
practically. We have been in this business about 35  
years; ever since I was a kid.

II

52 WILLIAM BUTTERWORTH:

I reside at Moline, Ill.; am president of Deere & Co.,  
manufacturers of agricultural implements.

Our principal lines are plows, cultivating machinery  
and planting machinery.

*Deere & Co's Sales of Binders and Mowers.*

We manufacture and sell in the United States grain  
harvesting machines, grass harvesting machines, mowers,  
hay loaders, rakes and hay tedders. We have been selling  
53 binders about two years. I have figures showing the ex-  
tent of our sales in the United States. In 1911 we sold 27  
binders, and in 1912, 933.

The Dain Company, which makes mowers, has made  
them since 1905. Deere & Co. bought out the Dain Com-  
pany about two years ago.

I have figures showing our total sales of mowers since  
1905. A very small per cent. were sold out of this  
country—2 per cent. would cover the outside sales  
made in Canada. The sales were as follows: In  
1905, 39 mowers; in 1906, 490; in 1907, 1,930; in 1908,  
3,092; in 1909, 4,660; in 1910, 6,930; in 1911, 7,314. I have  
not got the record for 1912. I have not the figures on  
54 rakes, hay loaders and tedders; I will have figures on those  
prepared.

## II

Deere & Company is engaged in business generally throughout the United States, in selling the implements named in the beginning of my testimony, and the other lines I have just mentioned.

*Cross-Examination.**Deere & Co's Capitalization \$65,000,000.*

Deere & Co. was organized in 1868; it was really started about 1837. It began with plows and has continued in that business ever since; I guess it is the largest plow manufacturer in the United States.

The nominal capitalization of the company, as now organized, is \$65,000,000; it is not all issued; in the neighborhood of \$40,000,000 of preferred is issued; that is not exact. I do not refer to the total investment of Deere & Co.; I could not give you that.

55 Corn planters were added to the plow line back in the early seventies, then followed disc harrows. Since 1900, wagons, manure spreaders, mowers and hay loaders have been added; hay loaders were added before that time.

Deere & Co. now make six or seven distinct different lines of agricultural implements. We have corn shellers, manure spreaders, the Dain mower, Dain stackers and Dain loaders; also binders, plows and wagons.

*Fifteen Thousand Dealers Sell Deere Lines.*

56 We market our goods through our branch houses and one jobber. Generally throughout the United States we market them ourselves. The branch houses dispose of the goods to local implement dealers; they are nearly all disposed of on sales contracts. We may have a very few commission contracts, where the dealer's condition would not justify a straight sale. Our plow business has been carried out on the sales contract basis.

Approximately, 15,000 local dealers in the United States sell lines manufactured by Deere & Co. We have between twenty and thirty branch houses, small and large.

*Tendency of Business Toward Long Lines.*

I think the tendency in the business of agricultural implements is toward the long line of manufacture, and has been for a number of years—I mean a variety of farm implements. It is for that and other reasons that our com-

II

pany has taken on the manufacture of the mower and binder. In manufacturing these, I cannot say whether any obstacles were encountered on account of patents outstanding on either of these machines. I do not know of any such obstacles.

The Deere & Company binder is, in general characteristics, quite similar to the type of binder made by the I. H. Co. The same is true as to the mower; there are some differences; I do not know whether they are basic or fundamental.

The last increase in the capital stock of Deere & Co. was made a little over a year ago. It was for the purpose of enabling us to do more business—not necessarily to enter into these new lines.

We make rakes and hay tools. We manufactured the rakes some years ago, but have gotten out of that line. The Deere and Mansur plant which made them now make only hay loaders. We ceased to make rakes three or four years ago—perhaps longer. In the last ten years our business has generally increased in every line except rakes. We made quite a number of rakes ten years ago. In the last ten years it has not been an important line; it has gradually decreased. I do not remember how many rakes we made ten years ago; it was a pretty good line for that factory at that time.

We went into the mower business about five years ago, in the Dain plant. We make no mowers except at that plant, and have made no plans for making mowers at our Moline plant.

*Deere & Co. Starting in Binder Business; Expect to Develop.*

I would not be able to tell you what output of binders we have planned for 1913; I estimate the probable output for 1912 at 1,980, in the United States and Canada both. 933 of those were in the United States and the balance in Canada. We are just starting into the binder business.

We regarded it as a proper business field for the enterprise of our company and went into it as a business proposition. We expected it to develop, and expect that it will develop into much larger proportions than it now has.

I will file a list of the different lines of machines now manufactured by Deere & Co., and sold in the United States.

II

*Re-direct Examination.*

60 The output of huskers and shredders manufactured by Deere & Co. was as follows: In 1902, 146; in 1903, 150; in 1904, 39; in 1905, 43; in 1906, 25; in 1907, 23; in 1908, 4; in 1909, 5; in 1910, 8; in 1911, 10; in 1912, 3.

These implements are large and expensive. The plow is simpler and less expensive than the binder. Cultivators also are much less expensive. I do not know whether that is the one reason why in the plow trade implements are sold on a direct sales basis instead of on a commission agency basis.

Our principal idea, was to get into the Canadian market. We started to manufacture these implements to meet the Canadian competition.

61 The companies with which we were competing in Canada were selling both plows and binders. Before that time we had been selling plows with our other lines and they had been selling binders with their side lines. Our competitors took on the plow line, and we were obliged to take on the binder, in order to compete. The I. H. Co. of A., or its Canadian subsidiary, was one of the competitors which had entered the plow line. We have confined our business in binders and mowers principally to Canada.

*Re-cross Examination.*

62 The competitor in Canada that first combined in their long line of plows and binders was a Canadian company, the Massey-Harris Company, I think. Ten years ago it was the strongest and largest company doing business in Canada, and our strongest competitor. I would not say that it was the strongest five years ago; it was certainly very strong. The Massey-Harris Company had been in the binder and plow lines several years prior to the International entering those lines in Canada; I would not know how long before.

Deere & Co. had built up their large business in the United States with their long line of agricultural implements, as have stated, with plows at the head of the list, and without any binder or mower. The I. H. Co. business in the United States has been built up and carried on with the binder and mower at the top, without any plow.

II

*Deere's Output of Rakes, Hay Loaders and Presses.*

62 Statement of annual production of Deere & Co. for the years 1902 to 1911, inclusive, of the following articles:

| Year | Rakes         | Hay Loaders   | Hay Presses |
|------|---------------|---------------|-------------|
| 1902 | 7,709         | 5,671         | 109         |
| 1903 | 9,341         | 8,886         | 299         |
| 1904 | 10,836        | 11,443        | 313         |
| 1905 | 10,064        | 11,374        | 233         |
| 1906 | 8,431         | 10,471        | 353         |
| 1907 | 10,719        | 8,264         | 536         |
| 1908 | 13,338        | 13,567        | 424         |
| 1909 | 15,679        | 11,792        | 838         |
| 1910 | 15,847        | 11,645        | 892         |
| 1911 | 9,562         | 7,403         | 1,332       |
|      | <hr/> 111,526 | <hr/> 100,516 | <hr/> 5,329 |

*Deere & Co. Line of Implements.*

List of goods manufactured by Deere & Co.:

|                 |                  |                        |
|-----------------|------------------|------------------------|
| Plows           | Manure Spreaders | Grain Drills and Seed- |
| Cultivators     | Wagons           | ing Machinery          |
| Harrows         | Buggies          | Hay Balers             |
| Planters        | Mowers           | Sugar Beet Tools       |
| Hay Loaders     | Stackers         | Speed Jacks            |
| Corn Shellers   | Rakes            | Disc Harrows           |
| Grain Elevators | Grain Harvesters | Huskers and Shredders  |
|                 |                  | Corn Harvesters        |
|                 |                  | (Experimental)         |

III

385 JOHN D. CURTIS:

*Business of Richardson Mfg. Co.*

My residence is Worcester, Massachusetts, and I am Vice-President of the Richardson Manufacturing Company. It is engaged principally in making mowers, rakes, tedders, manure spreaders and a few other tillage tools. My first recollection of their manufacturing was in 1864 but I think they existed before that. The trade name of our mowers is the "Buckeye" and they were distinguished from the other "Buckeye" mower by calling them the "Worcester Buckeye."

Since 1902, I am sorry to say, the sales of mowers by our Company have decreased.

386 In 1902 we made two kinds of rakes—a steel and a wooden one. They are the ordinary dump rake. We dis-

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continued about 1904 the manufacture of the steel rake because they were not profitable and we could not compete with the Osborne rake. At that time the Osborne Company was advertising itself in New England as independent. I think our business in harvesting implements has decreased since 1902.

In my opinion the mower has not improved since 1902 though there have been additions to mowing machines in what is called selling points. So far as cutting grass is concerned, there has been no improvement in 20 years. I think the hay rake reached its highest point of perfection 15 years ago.

387 We have sold manure spreaders since 1878. We have sold them under a trade name of "Worcester Kemp." Mr. Kemp was the first man who made a practical manure spreader.

We got a license under his patent for the New England territory in 1878. It is desirable in our business for us to know the competing spreaders and the names of them. (Over objection of defendants) I should say that the International Harvester Company sells 60% of the manure spreaders in the United States.

*Approximate Output of Richardson Co.*

388 Petitioner's Exhibit 247: Statement from the books of the Richardson Manufacturing Company showing approximate number of mowers, rakes and tedders built in the following years:

|                     |                     |                     |
|---------------------|---------------------|---------------------|
| 1902                | 1903                | 1904                |
| 2133 2 horse mowers | 1970 2 horse mowers | 1200 2 horse mowers |
| 485 1 " "           | 530 1 " "           | 353 1 " "           |
| 390 Tedders         | 658 Tedders         | 532 Tedders         |
| 1000 Rakes          | 1720 Rakes          | 200 Rakes           |
| 1905                | 1906                | 1907                |
| 876 2 horse mowers  | 1150 2 horse mowers | 1650 2 horse mowers |
| 352 1 " "           | 350 1 " "           | 400 1 " "           |
| 554 Tedders         | 986 Rakes           | 1250 Rakes          |
| 1000 Rakes          | 471 Tedders         | 400 Tedders         |
| 1908                | 1909                | 1910                |
| 678 2 horse mowers  | 792 2 horse mowers  | 910 2 horse mowers  |
| 350 1 " "           | 250 1 " "           | 315 1 " "           |
| 600 Rakes           | 1000 Rakes          | 1300 Rakes          |
| 450 Tedders         | 150 Tedders         | 340 Tedders         |
|                     | 1911                |                     |
|                     | 1200 2 horse mowers |                     |
|                     | 435 1 " "           |                     |
|                     | 1200 Rakes          |                     |
|                     | 200 Tedders         |                     |

The possibility of a manufacturer being able to success-



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fully start selling mowers today in the United States  
 389 would depend upon his capitalization and his selling meth-  
 ods. There is more canvassing to do than in 1902. The  
 International has the principal selling organization. We  
 have to put in more canvassers to compete for a smaller  
 volume in trade than we did in 1902. The International  
 Harvester canvassers solicit for all the lines, not merely  
 harvesting implements.

*Cross-Examination.*

We do our mower business in the New England States.  
 The Johnston Harvester Company does business there;  
 so does the Walter A. Wood. I do not know whether they  
 390 have increased their business or not. We do not make  
 any secret of the fact that, there has been no improve-  
 ment in the mower for 20 years.

None of the companies are doing as large a business  
 as the International in rakes in our territory but there  
 are companies doing a successful business.

To obtain a large share of the business in mowers, a  
 company would have to have an exceptionally large capi-  
 tal, would have to work through a series of years. As  
 391 far as the mowing machine trade is concerned, I am fa-  
 miliar only with the New England States, and in stating  
 that a company would have to have a large capital to get  
 a large share of the trade, I was referring to New Eng-  
 land.

*Manure Spreader Trade.*

I cannot name all the companies who make manure  
 spreaders. The Deere, the Rock Island and the Moline  
 are about all I recollect. I cannot answer how many  
 392 manure spreaders the Deere Company sold in Nebraska  
 last year nor how many they sold East or West of the  
 Missouri River. I simply know how many they manu-  
 factured. They now make 100 spreaders a day on an  
 average. In 1911 they were not making spreaders to a  
 great extent. At that time the spreaders were made by  
 the Kemp & Burphy Manufacturing Company of Syra-  
 cuse. They made about 6,000 a year in 1910 and kept at  
 about that average for three years preceding that. The  
 Deere organization acquired the Kemp & Burphy stock.  
 I do not know how many manure spreaders the Rock  
 Island sold last year or the year before. The year before

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that they did not have a spreader. I do not know how many they sold either West or East of the Mississippi. I do not know how many manure spreaders the International sold West of the Missouri last year nor East of it. I estimate  
 393 the number of manure spreaders the International sold in the United States in 1909 as about 45,000. In 1910 they sold something near the same amount. I have no accurate information about this. It is merely an estimate.

More of the New Idea manure spreaders have been sold in the last three years than ever before. I think they started selling them in the last five years. The New Idea is not made by the International. Whatever company made that manure spreader has put it on the market successfully and had a growing and steadily increasing business. The sales of the Litchfield spreader have deteriorated in the general market. It does not have as large  
 394 a percentage as it did a few years ago. I do not know whether its business has increased or not. The Galloway manure spreader has been sold in very large quantities.

*Re-direct Examination.*

It is not sold in as large a proportion to the total number of spreaders as formerly. The spreader business has increased a great deal the last seven or eight years.

I do not know Mr. Glass of the Walter A. Wood Company. The difficulty in selling mowers in New England is  
 395 as follows: The customer is a little different from any other class. He is a farmer and his world is his farm. You might say that a large proportion of the sales made to a farmer are forced sales. Hence, agricultural tools, especially mowing machines, are sold mostly through canvassing and canvassing costs money.

## 303 DANFORTH GEER:

*Harvester Business of Walter A. Wood Co.*

I am president of the Walter A. Wood Mowing & Reaping Machine Company, located at Hoosick Falls, New York. The business began in 1852 and the Company was incorporated in 1865. Our business is principally done in the eastern part of the United States. The territory  
 304 in which we have what we call an active organization would not go west of Ohio, and would include Louisiana in the South. West of there we have no defined organiza-

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tion. We do not do business in the Middle West, except that here and there we may have a jobbing arrangement.

We do not make corn binders. Self-dumping rakes and  
305 side delivery rakes are all we make. I did not know they made any more of those old fashioned things (referring to wooden sweep rakes).

*Output of Wood Harvesting Machines.*

Petitioner's Exhibit 217. (The statement produced by the witness is a statement of the harvesting machines manufactured by the Walter A. Wood M. & R. M. Co., for sale in the United States for the 12 months ending Sept. 1st of each of the following years):

|      | Mowers                                         | H. & B. | Rakes | Reapers | Tedders | Corn Har. |
|------|------------------------------------------------|---------|-------|---------|---------|-----------|
| 1902 | 4916                                           | 919     | 7078  | 108     | 1526    | 106       |
| 1903 | 5140                                           | 67      | 3831  | 163     | 1917    |           |
| 1904 | 6199                                           | 763     | 3802  | 153     | 2525    | 91        |
| 1905 | 6352                                           | 980     | 5040  | 210     | 2802    |           |
| 1906 | 9356                                           | 1817    | 6037  | 216     | 3297    |           |
| 1907 | 6019                                           | 1807    | 3910  | 198     | 605     |           |
| 1908 | 5560                                           | 515     | 2561  | 68      | 534     |           |
| 1909 | 7898                                           | 778     | 3442  | 182     | 1700    |           |
| 1910 | 7401                                           | 1229    | 4214  | 172     | 400     |           |
| 1911 | 6612                                           | 1043    | 5173  | 189     | 1169    |           |
| 1912 | 6074                                           | 820     | 2893  | 105     | 53      |           |
|      | Chain Rake Reapers Headers Side Delivery Rakes |         |       |         |         |           |
| 1902 | 38                                             |         |       |         |         |           |
| 1903 |                                                |         |       |         |         |           |
| 1904 |                                                |         |       |         |         |           |
| 1905 |                                                |         |       |         |         |           |
| 1906 |                                                |         |       |         |         |           |
| 1907 |                                                |         |       |         |         |           |
| 1908 |                                                |         |       |         |         |           |
| 1909 |                                                |         |       |         | 5       |           |
| 1910 |                                                |         | 20    |         | 389     |           |
| 1911 |                                                |         |       |         |         |           |
| 1912 |                                                |         |       |         |         |           |

*Cross-Examination.*

*In Active Competition with I. H. Co.*

We are doing business in active competition with the  
306 I. H. Co. and have been since its organization. Our business has been fairly prosperous. The competition is nor-

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mal. When we need a new agent in a place we have no more trouble in getting an agent against the International than against anybody else. The opportunities before us for the development and conduct of our business are normal and in business lines.

355 ALBERT J. GLASS:

*Harvester Business of Adriance, Platt Co.*

Reside at Poughkeepsie, New York. Have been General Manager of the Adriance, Platt Company about 21 years. The firm commenced the manufacture of harvesting machinery, particularly mowers, about 1855. It was incorporated in 1882. We manufacture mowers, grain binders, corn binders, hay rakes and reapers. We do business principally in the Eastern States, coming as far west and including Ohio, and as far south as Virginia, with a trade on the Pacific Coast and a limited trade in the Southwest through a jobbing house in St. Louis. We do not do business at all in the middle west. Our mower was originally known as the Buckeye, but since the expiration of the patents they have become more generally known as the Adriance. The binders have always been known as the Adriance.

356 The larger proportion of our sales in this country are under commission agency contract. I think the firm commenced exporting machines in 1858 and the larger share of its business is export. The leading lines of harvester implements sold in competition with us, are the machines of the International, such as the McCormick, Deering, Osborne and, to a limited extent, the Champion; the Johnston machines and the Wood machines. Those concerns build both mowers and binders. There are some other manufacturers of mowers only doing business in the same territory. The Acme does no business in that territory. I think they do not sell any machines east of Ohio.

*Competition with International.*

In 1902 the McCormick, Deering, Champion, Osborne and a limited number of Milwaukee and Plano machines were sold in the eastern states. The other concerns doing a large business were the Wood, Johnston and Adriance Platt Companies. The domestic business of our  
357 Company since 1902 has rather decreased. In Pennsyl-

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vania, Ohio and New York we sell binders, mowers and hay rakes. We sell binders in New England only to a limited extent. Very little wheat is grown there. Binders are used there more for oats. I think the International has five general agencies and two factories in New York, and three general agencies in Pennsylvania. It is our understanding that the Osborne Division has a separate selling organization in that territory. We hear of Osborne machines being sold at lower prices than the McCormick and Deering, and it gives the impression that the Osborne machine is used to cut prices. (Counsel for defendants moves to strike out the answer as being hearsay.)

As General Manager, I indirectly have charge of the sales in the territory described. I have general executive supervision. We have a domestic sales manager who is directly in contact with the sales in this country and works under the directions of the President and myself.

358 For many years a fair has been held in Dutchess County at Poughkeepsie. Up to three and, possibly, four years ago the International entered quite large exhibits at that fair. On one occasion our Domestic Sales Manager found thirty of their salaried men that he knew on the fair grounds.

Aroostook County in Northeastern Maine is being cleared off and there has been quite a little binder trade there, more than all the rest of New England, I think. We have had occasion to criticise the fact that the McCormick and Deering machines are sold up there on the same schedule of prices as in Ohio; for example, absorbing freight in both cases, while the freight to Aroostook County from Chicago is considerably higher than it is to either Ohio or New York. I should say there was a difference of upward to \$5.00 a binder between freight from Chicago to Ohio and to Aroostook County.

Our Company brought two suits in 1903 and 1904 against certain men employed by the International. I do not recall the names now.

359 It was reported to me that these men were saying to our agents and customers "It is foolish for you to continue selling the Adriance machines as the International has bought that factory and will take it over in a year or two." We heard those reports so continuously that we finally picked two cases where we could produce the evidence that they had made such statements, and brought suit for

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\$10,000 damages. The men very soon made abject apologies and paid the costs, and we dropped the matter. That sort of stories were discontinued from that time on.

*Witness Believes Binder Has Not Improved in Ten Years.*

I should say that the binder has not improved in quality in the last ten years. I believe that they have been cheapened somewhat and perhaps some desirable features have been eliminated in the endeavor to standardize binders of different makes. They are, perhaps, as efficient as they ever were, but not quite so substantially made.

The development of the binder continued for about 20 years, and then stopped about 10 or 12 years ago and there has been no change in the binder in the method of doing work since that time. The first automatic binder used wire and then Appleby invented the twine binder. That was in the early eighties. I think Deering brought out the first commercially successful twine binders about 1880.

*Sales of Adriance, Platt 1900 to 1911.*

Petitioner's Exhibit 232 is a statement taken from our books of the sales of Adriance, Platt & Co. in the United States:

|        |      | Corn  | Grain |       |        |       |
|--------|------|-------|-------|-------|--------|-------|
|        |      | Bdrs. | Bdrs. | Rprs. | Mowers | Rakes |
| Season | 1900 |       | 551   | 278   | 4572   |       |
| "      | 1901 |       | 829   | 316   | 6075   |       |
| "      | 1902 | 43    | 732   | 340   | 6276   | 11    |
| "      | 1903 | 243   | 816   | 344   | 5401   | 443   |
| "      | 1904 | 202   | 615   | 250   | 5792   | 657   |
| "      | 1905 | 223   | 879   | 286   | 5871   | 1637  |
| "      | 1906 | 296   | 1155  | 387   | 6443   | 1768  |
| "      | 1907 | 257   | 1126  | 325   | 6659   | 1969  |
| "      | 1908 | 151   | 583   | 196   | 4471   | 1498  |
| "      | 1909 | 238   | 882   | 219   | 4959   | 1724  |
| "      | 1910 | 360   | 1051  | 298   | 5660   | 2151  |
| "      | 1911 | 330   | 1056  | 252   | 4763   | 1792  |

361 In 1902 the Johnston, Walter A. Wood and Massey-Harris Companies, the last a Canadian Company, were doing a foreign business, besides our Company; also the McCormick, Deering, Osborne and Champion. I do not know whether the Plano and Milwaukee were doing any foreign business or not.

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*Cross-Examination.*

*Improvements in Binders.*

In 1911 our sale of binders was higher than the average. The same was true in 1910. What I meant on direct examination was that the binders of our principal competitors since 1902 have been cheapened in the effort to standardize them. I think our binders are as good as they were. It would not be modest for me to say that we are selling a better machine than our competitors. The Wood, Johnston and International companies are all competitors of ours in the territory where we do business. We do not sell any binders throughout the northwestern or central west, and we sell mowers only to a very limited extent through a jobber in St. Louis. We have not tried to develop our trade in that section.

312 WILLIAM S. HOWE:

*Business of Granite State Mowing Machine Co.*

My home is in Hinsdale, N. H. My business is manufacturer of lawn mowers, under the name of The Granite State Mowing Machine Company. We have manufactured field mowing machines in a small way, but have practically discontinued it. The last ten years we manufactured 286 field mowers. In 1912 we built two and in 1911 one—simply a question of using our stock. I should say that a statement to the effect that we are competitors of the International Harvester Company in the sale of mowers is not a true statement.

313

*Cross-Examination.*

I am not familiar with the Blue Book of Implement Manufacturers. I do not know whether the name of our Company is in that or not. We have advertised within recent years that we were selling field mowers. There have been current advertisements, in a small way, in local manuals like almanacs and one thing or another, and county fairs. We are not extensively in the mower business and never were. Years ago we had a good business, in a small way, on a few mowers when the price was up, but today we do not consider ourselves manufacturers.

178 R. E. MASON:

I have been manager of the Acme Company at Omaha, Nebraska, since 1909. From 1899 to 1903 I was general agent of the Plano Company at Grand Island, Nebraska. We covered practically the west half of Nebraska. The McCormick, Deering, Champion and Milwaukee were our competitors in 1899 and until 1907. I think they did all the business in that territory. According to the statements the home office sent us each year we increased the Plano business while I was there. I remained as general agent of the Plano Division at Omaha after the Plano Company sold to the International, until that office was closed.

179 The contract price of the Plano Company was always written the same to the various dealers but sometimes concessions were made. We made allowances for old machines and also gave away repairs. In a town where we had pretty hard competition we would do things to get business that were not strictly legitimate, that is regular. I do not remember that while I was with the Plano Division we made allowances for old machines. That year the prices of the McCormick, Deering, Plano, etc., were the same.

180 In the spring of 1903 there was a meeting of agents at the Deering Division headquarters in Omaha, to fix the retail prices. There were present Mr. Lane, Plano general agent at Lincoln, Neb.; W. H. Blakeman, Plano agent at Norfolk, Neb.; F. O. Wilson, Plano general agent at Council Bluffs; W. H. Towne, McCormick general agent at Council Bluffs; C. E. Haynie, McCormick general agent at Lincoln; C. D. Hibbard, Deering general agent at Omaha for the North Platte, and W. R. Lumry, Deering general agent for the South Platte; C. O. Aspinwall, Champion general agent at Lincoln. That is all of them that I remember. We established a price that we suggested to the agents they should get for the machines.

There may have been a few Johnston and Wood agents in that territory but I did not figure them as entering into competition at all. I do not think the Adriance-Platt ever did any business in the state.

As general agent of the Acme Company I covered southwestern Iowa, practically all of Nebraska, a little of Kan-



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181 sas and some of Colorado and Wyoming. In that territory we sell headers, binders, mowers and hay tools; very few headers are sold; there is a large sale of grain binders.

*International's Percentage of Business in Platte Territory.*

In the territory north of the Platte about 80 per cent. of the business in grain binders is done by the International. We do more business south of the Platte. I think we do as much as they do—about 50 per cent. I think the International does probably 90 per cent. of the business in Colorado and Wyoming. We do not manufacture any corn binders. The International and Johnston sell corn binders. I do not know of any others who sell them. I think the International does 75 per cent. of the business in mowers north of the Platte. There is not a large mower trade in the southern territory.

We have difficulty in getting agents in the North Platte territory. I think the policy of the International in dividing their harvesting implements among the different dealers in the town has an effect on us because the larger the line they have the easier it is to get agents. In an ordinary town there will be two and sometimes three dealers. Turning a farmer or a blacksmith into a good dealer is often tried but it does not work out very well.

I understand that the International has two or three different kinds of manure spreaders, and they will sell one to one man and one to another; the same holds good in wagons, so they can sell to all of the dealers and give each a full line. My observation as to large manufacturers is that they make it a policy to sell to one man as much as possible.

183

*Cross-Examination.*

*In 1899 to 1901 Big Dealers Given Lower Prices than Little Dealers.*

I went to Grand Island in 1899 for the Plano Company and stayed until the fall of 1903. In 1899, 1900 and 1901 prices varied so as to get the business. A dealer who did a lot of business would get his machines at a lower price than the little dealer; that is, we made concessions, which amounted to the same thing. The effect of that was that the big man got the advantages and the discrimination was in his favor. Very often the taking back of old machines and giving free repairs resulted in farmers

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buying new machines before the old ones were worn out; that was an ordinary occurrence.

*Acme Business Increasing.*

I understand that the Acme Company had gone through bankruptcy, and in 1907 and 1908 was taken over by the company now headed by Mr. Middlekauff. Its business in our territory has increased greatly. I have heard that its binder sales have increased from 1908 to 1912 from 2,500 to 11,000. In the south Platte territory we do about 50 per cent. of the business in binders. That is  
185 the big grain territory in Nebraska. The McCormick, Deering, Plano, Champion and Milwaukee companies in 1901 and 1902 did about all the business in that territory.

I do not know that the competition of the International in mowers has been increasing in Colorado and Wyoming. I know that Mr. Plattner has a firm there. The custom of the other manufacturers is to have one representative sell their full line. I do not think that it is the practice for companies generally to have one representative sell only their machines—their full line. There are a lot of cases where the implement dealers handle more than one line.

186 In the north Platte territory we have increased our mower business a little since 1909. We have extended our territory and gotten new agents. I could not tell the percentage of this increase because the territory has been changed around. The Acme Company has not a full line of agricultural implements.

187

*Re-direct Examination.*

The Plattner Company is not considered a big factor in the mower trade. I know that they only sell a small number. Up to 1909 our prices have been lower on binders than those of the International, about \$5 lower on a binder, and \$2 or \$2.50 on a mower.

In the north Platte territory we have not been able to get all of the best agents. We have a few of the good ones but not all of them. The International has most of them.

*Re-cross Examination.*

I was a salesman for the Moline Plow Company in  
188 1905. We would have liked to have our agents handle our line exclusively but we did not succeed in doing it.

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*Re-re-direct Examination.*

The Moline Plow Company is only one of a large number of plow companies.

II

343 B. A. McALEER:

Reside at Oklahoma City. Have been in agricultural implement business about 16 years; a canvasser, or traveler practically all the time. Commenced as a canvasser for the McCormick Co. at Lincoln, Nebraska, in 1896; the season was about two and a half to four months. For the rest of 1896 I sold the line of Kingman Plow Co. of Omaha, Nebraska.

*In Various Employments.*

344 For the McCormick Company I sold a line of grain and hay harvesting machinery; for the Kingman Co. tillage tools and vehicles. With the McCormick I covered the southeast and south central portions of Nebraska. With the Kingman Co. I covered Nebraska, western Iowa and Northwestern Missouri. For a portion of each year I canvassed for McCormick Co. from 1896 to 1900. I usually put in from five to seven months with the plow company.

I was with the Deering Harvester Co. in 1900, 1901 and 1902 as blockman at Wichita, Kansas, covering south central Kansas.

345 In 1905 I went back with the Kingman Plow Co., as territorial salesman, covering northern Nebraska and a portion of South Dakota. Was with them until January 1, 1907. My next experience in the business commenced March 1, 1908, with the Grand Detour Plow Co. Their Kansas City branch was then called the Big Four Implement Company, covering northern Kansas territory. I stayed with them until March 1, 1911.

Am now salesman for Rock Island Plow Co. with headquarters at Oklahoma City, covering western Oklahoma and a portion of northern Texas.

During entire period I have been in business I have been with the selling end and have come in contact with practically all the implement dealers in the States of Texas, Oklahoma, Kansas, Missouri, Iowa, Nebraska, 347 South Dakota, Colorado. Have been making sales direct to these implement dealers.

## II

In a town of about a thousand inhabitants in Kansas, Missouri, Nebraska, Iowa and South Dakota, generally speaking, there would be two, occasionally three implement dealers. The size of the town cuts very little figure as to the number. There are usually about two in all towns; even the smallest hamlets. In large towns there will be not to exceed three or four. These dealers generally handle a line of tillage tools, harvesting machinery, threshing machinery, vehicles of all kinds, pumps, wind-mills and other smaller articles.

I have learned the names of my competitors selling these different lines in the territory covered, and their  
348 methods. That is a part of my business. I know many implement dealers in this country. In Kansas, Nebraska and Iowa every dealer will handle harvesting implements of one kind or the other. The principal lines are the I. H. Co.'s line in grain and corn harvesting machinery. The principal machines in those states are the grain harvesting machinery, corn harvesters, mowing machines, hay rakes. There are not as many grain harvesters in Oklahoma as farther north. In western Oklahoma the trade is very little. The corn binder trade is extremely heavy there.

*Importance of Harvester Line.*

I have sold in competition with the I. H. Co. tillage tools, such as disc harrows, peg tooth or drag harrows, wagons and hay sweeps. The tillage implements consist of plows, cultivators, disc harrows, listers, stalk cutters, and various articles used for working soil. There is an-  
349 other class,—the seeding machinery. From the dealer's point of view the harvesting line is the most important, because it is a necessity on the farm, and there is a vast amount of them sold, and the selling does not stop with the harvesting machine. The selling of the machine entails a vast amount of repairs for a number of years thereafter. That brings the farmer back to where he bought the machine very frequently during the harvesting season. That is because the grain binder is a large and complicated piece of machinery involving many parts. It is different in that way from any other kind of agricultural machine. The repair feature of the harvester business is one of the most important to the dealer. No other part of the business is as important to get the farmer to come into the store.

II

The harvester implement necessarily costs more than the plow or seeding implements. I sold the McCormick principally in southern half of Nebraska, and the Deering  
350 line in south central Kansas. I left the Deering Company January 1, 1903. The principal competitors in that territory besides the McCormicks and Deering, were the Plano, Milwaukee and Champion Companies and in a very small way, the Osborne Co. and the Acme Co.

In 1901 and 1902 I judge the six companies named first did 98% of the business in binders and 85 to 90%, if not more, of the business in mowers. The Emerson Talcot Manufacturing Co. was in the mower business. They made a line of mowing machinery and hay rakes but no harvesters.

I left the Deering Co. three months after it had gone into the I. H. Co. The trade was light after the 1st of August, 1902. What few contracts were made by me after the change were at exact contract prices; no shaving of prices whatever.

### *Percentages of Sales.*

351 In Oklahoma in 1911 I should judge the I. H. Co. did nearly if not fully as large a per cent. of the harvester business as before; possibly 95% or better. There was practically no competition in that territory as to the Acme Co. In 1911 the same per cent. of the mower business was being done by the Harvester Company,—about 75 to 90%. The International did about 90% of the sulky or steel rake business in 1911, and about 50% of the side delivery rake.  
352 There is a great sale of sweep rakes there. From 60 to 70% of that business was controlled in 1911 by the I. H. Co.

In Oklahoma they sell corn binders principally; 99½% are sold by the International. There are a very, very few Johnston corn harvesters sold in that territory.

About 60 to 61% of the mower business down there in Oklahoma is done by the International. In the central western states there is practically nothing done by eastern manufacturers, such as Walter A. Wood; by Adriance, Platt, absolutely nothing.

### *Lines Sold by Witness.*

There does not exist in any other line of agricultural implements the same concentration of control by one com-

II

pany as exists in the harvesting line. No one company  
353 controls as large a percentage of the tillage tool business  
as I have testified respecting the harvesting lines.

I have been selling wagons in these states, and a very few cream separators, manure spreaders, seeding machinery and plows. There is no such concentration of control in any one of these lines. Since 1903 the International has entered the manufacture of the wagon, tillage tool, gasoline engine, manure spreader and cream separator lines, hay sweeps and stackers, seeding machinery. These lines are sold to the same dealers as harvesting lines.

In these new lines there has been a phenomenal increase  
354 of sales by the I. H. Co., due in part to the concentration  
of control acquired by the I. H. Co. in harvesting imple-  
ments. I have been selling these lines in competition with  
them. It has been part of my business to observe their  
methods of competition, as well as the methods of my  
other competitors. The competition of the I. H. Co. in  
respect to these new lines has been very disreputable.

Should say the I. H. Co. does 60 to 65 per cent. of the  
farm wagon business in the territory in which I have  
been doing business. They make different lines. The  
Weber, Columbus, Bettendorf, and Iron King.

In these different towns, there are generally two deal-  
ers, sometimes more. The Harvester Company divides  
355 its lines of wagons among the dealers where it is possi-  
ble to do so, and it is generally possible. The same policy  
is followed respecting wagons as has been followed for  
many years respecting harvesting machinery. They  
manufacture three lines of manure spreaders; the Twen-  
tieth Century Kemp, the Clover Leaf, and the Corn King.  
The agencies for these three lines are distributed among  
the different dealers. That is the general rule in states  
where there is a considerable amount of manure spreader  
trade.

They manufacture more than one line of tillage imple-  
ments; the Osborne line and the Keystone. These two are  
distributed where there are two dealers; one dealer is gen-  
erally given one line and another dealer another.

This distribution of lines has the effect of reducing the  
amount of business done by independent manufacturers  
356 just that much, and in a large portion of the Central  
West. It affects the supply of available retail im-

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356 plement dealers very much. It usually supplies the trade for the two dealers in a town and there is none left for the other fellow. With a dealer that has handled a popular line—Deering or McCormick—for a great many years at one stand, the repair business is quite a portion of his business and the most valuable of the harvester business, and with the methods used generally by the representatives of the I. H. Co. in threatening to remove the agency of their machines it is a very good club to make the dealer buy other portions of their lines besides harvesters. I am able to describe some of the methods adopted to which I object; their threatening to, and actually withdrawing contracts for their machines from dealers who had handled them for years, in case they would not purchase their wagon line, disc harrow line and also several other lines such as cream separators and gasoline engines.

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*Cross-Examination.*

Since 1905 I have been in active, constant and sharp competition in my business with the I. H. Co. in the territory covered on certain lines. I am not particularly hostile to that company.

*Has Written Articles for Press Attacking I. H. Co.*

Q. You have made a number of bitter attacks on the company, have you not? A. Not particularly bitter, no, sir. I have written some articles attacking the company which were printed. I wrote them to get them into the newspapers. I have not written any of these articles for pay, nor had them advertised and printed in newspapers in Iowa and other states while I was living in Nebraska, 358 other than in the paper that originally printed them.

I have been interesting myself in this lawsuit in a measure. Have not been particularly active in it. Have not been to Washington. The first United States official I ever saw was Mr. Darling, less than six weeks ago. My first communication from the Department of Justice was less than six months ago. I wrote Mr. Stanley of the United States Steel Investigation Committee a letter something like a year ago. That was the first letter written to any public official respecting this matter that 359 I recall at this time. Have written some since but very few. I wrote the letter of my own motion.

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My last connection with the International was in January, 1903. I had been with the Deerings and continued with the new company until January 1st. I was not discharged. There was absolutely no bitterness with respect to the severance of my relations with the company. The most friendly relations existed at the time I left.

*Cross-Examination as to Witness' Actual Knowledge.*

The control of the I. H. Co. over all lines by virtue of their harvesting lines makes it impossible, I think, for any small concern to begin and build up a harvesting line by  
 360 itself. I did not know that the Acme Company, which was an insolvent concern in 1907, had increased its output of binders from 2500 in 1907 to 11,000 in 1912. I knew they had increased their output but not exactly how much. I did know that the Acme Company has nothing but a line of grain and hay harvesting machinery. I know that the Rumely Company purchased a number of lines other than  
 361 they had been operating for a number of years, and had increased the number of their agents in the United States since they took over these new lines. I did not know they had increased them by two thousand. I can't figure that there is much of an increase in business for the Rumely Co. I seriously question whether there is any considerable increase in the output of the Rumely plants. I did not qualify as an expert on the thresher or gasoline engine line, and that is practically all the Rumely Company handles.

362 I know that the John Deere Company has recently gone into the binder business; putting out a few of them.

Q. When you speak of an increase in business, an increase in two years from nothing to 2,000 it does not mean anything to you? A. In the magnitude of the implement and machine business I consider it absolutely nothing, in a measure.

Q. But leaving out of view the magnitude of the business, and bearing in mind the question whether there is an opening for the putting out of a binder, and whether conditions are such that no competitor can come in and successfully enlarge his business,—you do not think that an increase from nothing to 2,000 machines in two years has any significance especially; is that it? A. From a financial standpoint I seriously question whether he can or not.

I would not exactly call it foolish for the John Deere



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Company to invest large sums of money in an attempt to establish a binder trade; if they remain in the agricultural implement business they will have to do something of that kind if they have money to do it. Whether it is foolish for any concern to take on a new line where the International is a strong competitor would depend largely on the standing in the trade. In regard to a bankrupt concern like the Acme developing a trade in binders, there are a few retail implement dealers in the territory mentioned that refuse to handle any portion of the International's output, consequently are open for such lines as the Acme Company, and evidently that is where they have gotten their increase in business.

Q. And those are the best agents? A. In some cases, yes, sir. There are a few agents that refuse to handle any portion of the International's output in some isolated cases.

The company I now represent, the Rock Island Plow Co., manufactures corn planters. In the territory I covered myself we sold in the neighborhood of 300 corn planters this year. They sold considerably less than that last year; I doubt if more than 100. I do not know the percentage of sales in 1910; I was not there; was selling the Grand Detour line out of Dixon, Illinois, with their branch house at Kansas City; was working in northern Kansas. The Rock Island people put out between 300 and 400 listers in that territory then.

A corn planter in that territory means a two-row planter. There was practically nothing of that kind sold there. I am selling this year corn and cotton cultivators. I put out 200 to 225 this year and a few more than that last year. The year before a considerable number less; I was not in that particular territory and am unable to state.

We turn out a line of disc harrows. Less than 75 were marketed in my territory this year, and the year before, possibly the same number, or even less. We also put out a line of steel drag harrows. I put out this year about 125; about same number last year. That is about all the lines of tillage tools sold in that territory. We sold possibly 25 plows this year and last year. I put out about 150 wagons this year; last year a very few, possibly 75 to 100. We also sell light vehicles, buggies and spring wagons; put out possibly 200 last year.

Our year ends the first of August; it is pretty hard to

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368 determine just what has been put out in what I term the year. My trade in light vehicles last year was about 125 to 150. The total amount of business I did in my territory this calendar year was about \$40,000; last year about the same.

*Cross-Examination as to Actual Knowledge of Percentages.*

When I gave the percentage of the binder trade done by the International, I referred to the territory that I had  
369 been covering; Oklahoma, Kansas, Nebraska, the western portion of Iowa, about three counties and the western corner of Missouri, about three or four counties. In giving specific percentage of the business in the binder line  
370 done by the I. H. Co., the conditions are practically the same now as they were when I was actually covering the territory.

I have not the slightest idea how many Mc'ormick, Deering or Champion binders were marketed in that territory in 1911. Very few Acme binders were marketed in that territory in 1911. I do not know exactly how many. I have no way of knowing. My observation and what I based my testimony on was my calling on the trade and knowing at what points the I. H. Co. line was sold, and in  
371 what per cent. of the points it was sold at.

Was traveling in Oklahoma in 1911. I assumed conditions in the rest of the territory were practically as they were when I had been traveling through it. Cannot give exact number of binders marketed in that territory in 1911. Storm Lake, Iowa, I presume is in the territory referred to. I have not been there for four years or more; never made that specific town. I do not know anything about the actual conditions there.

Sioux City, Iowa, is also in that territory. I do not  
372 know how many Mc'ormick or Acme or Deering binders were sold in Sioux City in 1911, or the number of any kind of binders sold there. I was not there. Have not been there for five years. I do not think I was ever in Algona, Iowa. My business in western Iowa was principally special business and I was not making all the towns. I have made Council Bluffs a great many times. Have not been there for more than five years. From personal knowledge I know nothing about conditions in the agricultural business there for the last five years.

I was in Lincoln, Nebraska, last summer. Do not know

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the exact number of McCormick binders sold there in 1911, and do not remember whether the Acme harvester is  
373 handled there. I have nothing upon which to base even an impression as to the sale of Acme binders at Lincoln, Nebraska. The Acme Company has no general agent at Lincoln, unless they put one in just recently. They have at Omaha. The Acme binders sold out of Omaha would be sold through the general agency throughout the entire state. I do not know the exact number sold, nor the exact number of McCormick binders sold in 1911.

I do not know about the Deering. I was not in Grand Island, Nebraska, in 1911. I do not know about the Acme or any of them. I was not in Wellington, Kansas, in 1911. I do not know anything about conditions there that year, or how many binders of any make were sold in that year.  
374 I could not tell you as to Wichita, Kansas, in 1911 either, because I was not there. The same applies for the year 1911 to Seward, Wayne, Bloomfield, Norfolk, Emerson and Beatrice in Nebraska. The towns named are all representative towns in Nebraska. Wellington, Lawrence, Independence, Parsons, Dodge City, Fort Scott are good representative towns in Kansas. I do not know the output of any make of binders in those towns in 1911.

Q. Can you name one town in all the territory you have described in which you can tell us exactly the number of binders put out in 1911? A. Mangum, Oklahoma. I understand your question to call for any kind of binder,  
375 grain or corn. The percentage of binder business that I gave on direct examination in Oklahoma was practically speaking, on corn binders; some grain binders. I cannot give you the output exactly on grain binders for the year 1911 in any town in all the territory named. I can give you within a very few of what it is.

376 In Davidson, Oklahoma, about 10 machines were sold in all. My recollection is that they were all McCormick. There might have been some Deering. I know that all machines sold out of the town were I. H. Co. It is a town of two or three hundred.

Q. Now name another town. A. Well, take Frederick, Oklahoma. There were in the neighborhood of 15 or 20 machines sold there in 1911.

I would not want to name one town where I knew exactly the number put out. I could have gotten the exact amount, but I was not interested in it. I would not be

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exact as to the number of binders put out at Mangum; it is an estimate. I was there on the ground and while I had the opportunity to learn the exact number, I did not  
377 at the time do so.

Q. In all the territory which you have described, concerning which you testified, giving the proportion, there is not a single town with respect to which you have exact and definite and positive knowledge of the output of binders for the year 1911? A. The exact number I would not swear to, no, sir.

The Standard mower manufactured by Emerson, Brantingham & Co., was sold to a certain extent in the territory covered by my answer during the years mentioned.  
379 The Dain mower was sold in a very small way. No Dain mowers were sold in 1911 in the territory covered by me which I am familiar with.

My testimony yesterday was that I covered certain territories at certain stipulated periods and that I have been covering western Oklahoma from March 1, 1911, up to the present time. I want to modify my statement as to covering this particular territory from March 1, 1911, up to the present time, 1912.

380 I do not wish to be understood as testifying to the percentage of business done by the I. H. Co. in 1911 in the sale of binders in the three western tiers of counties of Iowa or in Nebraska, Kansas or the four northwestern counties of Missouri, nor do I wish to be understood as testifying to the percentage of business in the sale of mowers, rakes or wagons done by the I. H. Co. in 1911 in the same territory.

I do not know the number of mowers sold in that territory in 1911 by the Emerson Co., the Deere Co., the Acme Co., or the I. H. Co. My testimony yesterday did not  
381 give the percentage of business done by the I. H. Co. in said territory for 1902. The years covered by my testimony yesterday were from 1905 to 1907 in a portion of that territory.

When I gave the percentage of sales of binders by the I. H. Co. for 1905, I had in mind specifically northern Nebraska (the territory north of the Platte river excepting  
382 from Grand Island west along the main line of the Union Pacific) and a portion of South Dakota and of western Iowa.

In South Dakota I had in mind the Chicago and North-

## II

western branch from Norfolk, Nebraska, to New Dallas, South Dakota. I cannot give the names or numbers of counties. While I made a portion of western Iowa in 1905 it was at long drawn out intervals and only a few of those towns. My information so far as Iowa is concerned is a great deal less than the territories west of the Missouri river. The towns on the Northwestern branch to Dallas, S. D., were Bonesteel, Gregory, Burke, Herrick and one other. It is a short line, possibly 100 miles.

383 Practically all of the harvesting machinery sold in northern Nebraska in the territory just defined by me in 1905, was sold by the I. H. Co. I do not recall a single instance where there were Acme binders sold. There were a few of their Harvester King. I cannot tell you how many Acme binders were sold in that territory in 1905 within two or three or fifty machines. My knowledge is general. What I said about the northern half of Nebraska is true with respect to the territory mentioned in South Dakota and in Iowa except that in the Iowa territory there were no 12 foot binders sold at that time. There may have been an isolated case.

384 I cannot tell you how many Acme binders were sold in the Iowa territory in 1905. There were practically no harvesters in the western Iowa trade at that time but the I. H. Co. machines. Practically all the mowers sold in 1905 in the territory in Nebraska, South Dakota and Iowa last described were I. H. Co. machines.

I would not testify that I knew the exact number but I have known it in many of those places. I do not know  
385 the number sold in that territory in 1905 by the Emerson or Dain or Acme Companies. My recollection is there was none.

In 1905 my business relations in Iowa were very limited. While I was with the Kingman Co. I traveled specially over a considerable portion of that territory but that was before the time of the I. H. Co. I do not think that I remember a single town made by me in the three western tiers of counties in the State of Iowa in 1905. My knowledge so far as that territory is concerned is almost confined principally to Nebraska and a small portion of South Dakota.

So far as my actual knowledge of the harvester line in those two territories in the years from 1905 to the present time, eliminate Iowa, the four northwestern corners

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of Missouri and the western portion of Iowa, because my business relations with the trade there were so small in those days that I would scarcely wish to make any statement in reference to that particular territory.

387 The territory that I have in mind and wish to include in testifying regarding the business of the I. H. Co. and harvesting machinery from 1905 to 1910 is the northern part of the State of Nebraska practically north of the Platte river to a line drawn through Central City except the main line of the Chicago & Northwestern to the west boundary of the state. Holt county is included in that territory.

During those years I made O'Neill in Holt county. Stewart is just at the western edge of Holt county and there is a small town east of O'Neill. Inman is the name, I am pretty sure. As far as I can recall I have given the  
388 names of the towns in Holt county that I made during those years. It seems to me that there is an inland town in the northern part of the county.

Q. How many men in 1905 were engaged in Holt county in whole or in part in selling agricultural implements? A. Frank Dobney was in the business at Stewart.

I do not recall the name of the other dealer or possibly two dealers that were there; can not state positively how many others there were. There were two dealers at O'Neill; can name one of them; would not state positively  
389 whether there were more than two. At the other town in Holt county my recollection is there was only one dealer.

I never made the inland town referred to. It was just a postoffice, a small store and very small business done in the implement line so I understood. My testimony so far as the percentage of business in the harvesting line is concerned in the county of Holt in 1905 is based on knowledge of five or six men doing business there.

390 Holt is a fair agricultural county. It is not representative so far as agricultural implements go in Nebraska. Madison County, Nebraska, is fairly typical; it is a good type of agricultural county in the State of Nebraska.

In Madison county in 1905, I made Norfolk, Madison, Humphrey and Howells and Battle Creek if my memory is correct are in Madison county, as near as I can recall  
391 now. In 1905 there were three men selling agricultural

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implements including harvesting machinery in Norfolk, three at Madison and two in Howells.

I would not care to be specific as to Humphrey. The business there was all shot to ruin by a bunch of traders and they were going in and out of business in 1905 and 1906. There were two that I recall in 1905. There were two at Battle Creek and a blacksmith that handled a little stuff but he was not generally termed a dealer. That  
392 makes thirteen in all in the county counting the blacksmith. So far as I can now recall, my acquaintance with the business in 1905 of selling harvesting machinery in Madison county was in relation to business with these thirteen people. Outside of the business done by those thirteen I have no precise recollection or knowledge.

The testimony I have given as to my acquaintance with the business at Madison county, Nebraska, is very much  
393 the same as to the other counties throughout the territory and through the years covered by my testimony. It would differ in the years in the percentage of business that the I. H. Co. did.

The county is typical; the year 1905 a typical year so far as the harvesting machinery line is concerned. I visited the territory defined in northern Nebraska and Dakota up to July, 1907, as much as in 1905. After July, 1907, I was not there as much. The 1905 experience would be typical up to 1907 and my personal knowledge would be less after that date than before. The Emerson people in 1905 sold a considerable number of mowers in Madison  
394 county through H. H. Sadler, their dealer; always did while I made that territory.

It is my recollection that the Dain people sold a few Dain mowers through their agency there. The Acme mower to the best of my recollection was not sold in the county at all. A number of Standard mowers were sold; cannot give exact number at this late date. My testimony as to mowers and binders will apply to rakes. When I testified to the percentage of wagon trade done by the I. H. Co. in 1911 intended to cover by my answer the northern portion of Kansas in 1911 with my knowledge of 1908, '9 and '10, and general knowledge of the business of that particular territory. My answer was based largely on my  
395 knowledge of the Oklahoma trade if you put it for 1911.

My information covering the wagon business covered by my testimony comes from a wagon manufacturer who

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keeps in touch with the wagons. Referring to my direct testimony that the International did 60 to 65 per cent. of the farm wagon business in certain territory I based  
396 my answer on my own knowledge of the territory in the past and also statements made by two different wagon manufacturers. My statement was based largely on what  
397 I could see and my judgment of the number of wagons sold in a portion of the State of Kansas. I did not intend to give the percentage of the I. H. Co. trade in wagons throughout Kansas. I referred to pretty nearly the northern half from the Blue river west, including the main line of the Union Pacific west from Kansas City, west of Manhattan. I did not intend to include, in that answer for that particular time, Nebraska or the three western tiers of counties of Iowa or the four northwestern counties of the State of Missouri. My actual knowledge for these specific years is in respect to Kansas. That is the only actual personal knowledge, not hearsay, from which I answered that question. The conditions surrounding that class of trade are practically the same throughout Kansas and Nebraska.

It is largely so, that having personal knowledge with respect to the northern part of Nebraska, I spread that knowledge out through Nebraska and these other States and applied it.

398

*Re-direct Examination.*

I have testified on direct examination to canvassing from 1902 to 1911 when I went down to Oklahoma. In those years I covered different sections of the states named, certain territory with the Kingman Plow Co.; another with the Grand Detour Plow Co., and another in Oklahoma with the Rock Island; still other territory with the Deering and McCormick.

My wagon experience extended from the year 1897 practically continuously until the present time except for the  
399 years 1903 and 4. (The witness was then shown a map of Madison county, Nebraska.) Tilden, Meadow Grove, Battle Creek, Norfolk and Madison appear as railroad towns in Madison county. I visited all of them in 1905. In Norfolk there were three dealers, in Battle Creek two and a blacksmith, in Meadow Grove two, Tilden two; Madison three. To the best of my recollection every dealer in those towns handled I. H. Co. goods. My visits



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in Madison county give a fair description of the sort of canvassing I did in the states named. I have covered in this way in the years 1902 to 1911 principally a portion of South Dakota, Nebraska, Kansas, Oklahoma, a small portion of Texas and a portion of Eastern Colorado.

400 The testimony I gave respecting the per cents. of output is based on information gained from visiting the dealers in these different towns in some respects and in other ways. As a general thing, most traveling men in the agricultural implement line carry a small ledger and as settlements are made the amount, numbers of different harvesters, the kinds, mowers, reapers, rakes and all down through the line of stuff they are selling are recorded in that ledger. I have recently had access to one of those which I based my percentages on largely. During these years I would meet these other canvassers of other companies.

The percentage of business given in my testimony yesterday was not given on Nebraska, Iowa, Missouri and Kansas for 1911. I had formed my basis for that percentage of business on the actual business that I know the I. H. Co. has done in the particular territory that I am covering at the present time and which will apply largely to all portions of the territory mentioned. That was my idea and so testified; based statements upon the information acquired in the manner described. In the course of a year I visit a great many towns and a great many  
401 counties, but of course a salesman is largely going over the same territory throughout the year. I was subpoenaed in this suit at Oklahoma.

*Re-cross Examination.*

I said that practically all of these agents in Madison county, Nebraska, sold agricultural implements of the I. H. Co.

It is my recollection there was one concern at Battle Creek that was at that time at outs with the International and I think for a time they discontinued the sale of their machines. All of these agents sold implements other than those manufactured by the I. H. Co.

## III

398 G. F. MESSINGER:

*Output of Messinger Mfg. Co.*

I live at Tatamy, Pa. My company has been called Messinger Manufacturing Company since 1900; before that S. S. Messinger & Son. My father died in 1900. He started in business in 1857 and I became a partner in 1874.

399 We make some agricultural machinery. The statement I produce shows the number of mowers, rakes, tedders, corn shellers, etc., made by our company (Petitioner's Exhibit 250):

|                    | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 | 1909 | 1910 | 1911 | 1912 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|
| Mowers             | 23   | 14   | 10   | 16   | 16   | 15   | 26   | 32   | 20   | 34   |      |
| Rakes              | 21   | 10   | 8    | 18   | 19   | 16   | 30   | 40   | 14   | 15   |      |
| Tedders            | 9    | 3    | 10   | 3    | 3    | 6    | 8    | 6    | 4    | 2    |      |
| Corn Shellers      | 102  | 81   | 72   | 88   | 93   | 65   | 66   | 57   | 48   | 68   |      |
| Cutters            | 43   | 48   | 73   | 38   | 33   | 50   | 66   | 48   | 66   | 45   |      |
| Cutters & crushers | 60   | 44   | 29   | 28   | 29   | 9    | 13   | 15   | 16   | 25   |      |
| Shredders          | 2    | 2    | 17   | 10   | 6    | 2    | 3    | 0    | 0    | 1    |      |

We sell the small number of mowers we make mostly around home. The rakes we make are horse rakes—combined wood and steel. The shafts are wood but the wheels, axles and teeth are steel. They are sold around home and so are the tedders. The shredder we made in 1911 was small, a shredder to take the place of a knife cutter. It was no husker.

## I

147 P. D. MIDDLEKAUFF:

President of the Acme Harvester Machine Company with factories at Peoria, Ill. Have been engaged in the harvesting machinery business for thirty years, with an interim of about five years.

*Acme Co. and Territory Covered.*

168 The Acme Company makes binders, mowers, headers, sweep rakes, sulky rakes and stackers. All of these implements are harvesting machines. The Acme Company does business from the eastern line of Illinois west to the Rocky Mountains, and from the northern boundary of Texas to the Canadian line.

169 In that territory we do the largest harvester business next to the International. I should say that the Inter-

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national in that territory did 85 to 87 per cent. of the business in binders. We ship from our factory to the warehouses located at our general agencies, and distribute from the general agencies to the retail dealers embraced in the territory covered by the respective general agencies. Our general agencies are located at Peoria; Evansville, Ind.; Kansas City, Wichita, Hutchinson, Omaha, Sioux City, Aberdeen, Fargo, Minneapolis, Mankato; Freeport, Ill.; Waterloo, Ia., and Billings, Mont. We sell to the farmers through implement dealers entirely. Some of the goods we sell under commission contracts and some are straight sales.

*Harvesting Machines Sold Under Trade Names.*

172 Binders, mowers, reapers, rakes and headers are sold under trade names. Such names apply not only to binders, but to mowers, reapers and rakes. The word "McCormick" applies not only to binders, but to mowers, reapers, rakes, tedders and other lines. That has always been true in the harvesting machine business. The leading trade names are "McCormick" and "Deering." Other trade names are "Champion" for the Warder, Bushnell & Glessner Co., "Osborne," "Milwaukee" and "Plano."

173 There are from one to five dealers in a town—small towns have one or two. My observation is the I. H. Co. of A. gives one binder to one agent and another to another agent, and keeps distributing them as long as the agents last in the town; one will have the McCormick, one the Deering, another the Plano and so on. That policy makes it difficult for other manufacturers, and for my company, to get a sufficient number of agents.

A number of our dealers also handle I. H. Co. of A. lines; we always try to get dealers who do not handle their lines, but it is not possible in every locality. Our dealers who handle International lines are not, as a rule, as satisfactory.

174

*Cross-Examination.*

The estimates I gave as to the percentage of the harvester business done by the I. H. Co. and that which was done in 1902 prior to its organization by the various companies that were taken over were merely estimates based on my general knowledge of the harvester business.

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I have been President of the Acme Harvesting Machine Company four years. Before 1908, when I became president, I was for nearly a year a director in that company but not actively interested in the business. When I  
175 became president I made a larger investment in the Acme Company than I had before. My personal investment went into the Acme Company after 1908.

As president I have had personal and active charge of the business, and personal and definite knowledge of the manner in which it is carried on. The Acme Company does a very small foreign business. Practically all its business is in the United States.

There is no community of interest between the Acme Company and the Harvester Company and has never been. There has never been any agreement between the Acme Company and the Harvester Company as to prices, division of territory or anything else. The Acme Com-  
176 pany is in active competition with the Harvester Company in the United States and has been since I have been connected with it.

*Field Open in 1907 for Successful Harvester Business.*

In 1907 and 1908 I thought there was a field for a successful business in the harvesting machine lines, in active competition with the International Harvester Company in the United States, and in that belief I invested money in the Acme Company. Our business has been growing. Harvesting machines are the only thing we make, so that in active competition with the Harvester Company we have been doing a growing and successful business, although our line is limited to harvesting machinery.

177 In 1908 we made 2588 binders; in 1909, 4352; in 1910, 6195; in 1911, 7829; in 1912, 11,000. This last figure is estimated but the estimate is very close. From 1908 the Acme Company has increased its output from 2588 binders to 11,000. We do not make any reapers because those are used in the foreign trade almost exclusively. We make mowers. In 1908 we manufactured and marketed 3488 mowers; in 1909, 5694; in 1910, 6196; in 1911, 6092; in 1912 we estimate that we have marketed 9,000 and this estimate is very close; so that the Acme Company has increased its output of mowers from 3488 in 1908 to 9000 in 1912.

178 Our hay tools include rakes and stackers. Our output

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in hay tools in 1908 was 5359; in 1909, 7500; in 1910, 9293; in 1911, 8888; in 1912, 9600; so that the output of hay tools has increased from 5359 in 1908 to 9600 in 1912.

Our output in headers in 1908 was 673; in 1909, 798; in 1910, 1300; in 1911, 794; in 1912, 1305 estimated. All these figures are based on our books except those for 1912, which are gathered from reports of our managers of branch houses.

In 1908 the Acme Company had four general agents. Now they have fourteen. They have about 3000 local agents. They did not have that many in 1908. I would say we have two and one-half times as many now as in 1908.

Based on my knowledge of the general conditions of the business, my impression is that the output of harvesting machines marketed in the United States—in the lines we manufacture—is in the aggregate about the same now as in 1902.

*Re-direct Examination.*

Petitioner's Exhibit 73 was furnished by our Treasurer in Peoria:

*Machine Sales of Acme Harvesting Machine Company.*

| Year | Binders | Headers | Mowers | Hay Tools | Volume        |
|------|---------|---------|--------|-----------|---------------|
| 1905 | 2920    | 1515    | 4174   | 6520      |               |
| 1906 | 3884    | 1770    | 6047   | 6714      |               |
| 1907 | 2002    | 816     | 4186   | 5000      |               |
| 1908 | 2588    | 673     | 3488   | 5359      | \$ 779,672.00 |
| 1909 | 4352    | 798     | 5694   | 7500      | 1,176,716.44  |
| 1910 | 6195    | 1300    | 6196   | 9293      | 1,475,519.41  |
| 1911 | 7829    | 794     | 6092   | 8888      | 1,596,000.00  |
| 1912 | 11000   | 1305    | 9000   | 9600      | 2,100,000.00  |

The only hay tools we make are sulky rakes and sweep rakes, and stackers. We have not made any side delivery rakes.

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HARLAN G. NEWCOMER:

*Output of Eureka Mower Co.*

I am President of the Eureka Mower Company located at Utica, New York, manufacturers of planting machinery, potato, corn and bean planters, weeders and seeders, hard-

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ware specialties and a few mowers. Our type of mower is a center draft mower, the cutter bar being in the center instead of at the side as usually constructed. We do not make any side-draft mowers. The International does not make center draft mowers, to my knowledge. It is a very old style of mower; it can be used for the same purposes as a side draft, but as we sell them they are used largely for special purposes, either cutting in narrow places or cutting crops grown in beds, or cutting grass and weeds above the crops.

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I have prepared a statement showing the number of center draft mowers manufactured by our Company for the years 1902 to 1911, as follows: 1902, 49; 1903, 2; 1904, 50; 1905, 54; 1906, 8; 1907, 29; 1908, 20; 1909, 24; 1910, 20, 1911, 38.

In a sense we are competitors of the International in mowers, but we do so little in that line that we have not regarded ourselves as being in competition with them. The figures given show our entire output of all kinds of mowers.

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#### *Cross-Examination.*

We advertise our business and the name carries the idea that we are in the mower business, and in the Blue Book list of implement manufacturers we are listed as one of the manufacturers of mowers.

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514 JOHN PLATTNER:

I am connected with the Plattner Implement Company of Denver, Colorado. It has been in the business since 1895. From then until 1902 it did a general jobbing implement business. Prior to 1900 it handled the Plano Manufacturing Company's harvesting implements. After 1900, one year we handled the Minnie Harvester Company's goods, and the next the Keystone Manufacturing Company's mowers. After that we entered upon the manufacture of mowers. We also manufacture other harvesting machinery. The statement I hand you is accurate.

515

#### *Plattner Implement Co's Output of Harvesting Machines.*

Petitioner's Exhibit 182: Statement showing the number of binders, mowers, corn huskers and shredders, hay

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rakes and other harvesting machines manufactured by Plattner & Company for sale in the United States.

| "1903 in the spring |                   | 1904 in the spring | 1905 Plattner Goods. |
|---------------------|-------------------|--------------------|----------------------|
| 2 cars of machines  |                   | 3 cars of mowers.  | Mowers ..... 60      |
| Minnie H. Company   |                   | Keystone Co.,      | Stackers..... 38     |
|                     |                   | Sterling, Ills.    | Sweeps..... 70       |
| 516                 | 1906              | 1907               | 1908                 |
|                     | Mowers .....140   | Mowers .....220    | Mowers .....312      |
|                     | Stackers ..... 65 | Stackers .....102  | Stackers .....128    |
|                     | Sweeps .....112   | Sweeps .....180    | Sweeps .....240      |
|                     | 1909              | 1910               | 1911                 |
|                     | Mowers .....390   | Mowers .....430    | Mowers .....542      |
|                     | Stackers .....156 | Stackers .....175  | Stackers .....193    |
|                     | Sweeps .....360   | Sweeps .....420    | Sweeps .....516      |
|                     |                   | 1912               |                      |
|                     |                   | Mowers.....587     |                      |
|                     |                   | Stackers.....303   |                      |
|                     |                   | Sweeps.....550"    |                      |

We sell our output in Colorado, Western Nebraska—anywhere west to the coast. The freight rate from Denver to California on our hay tools, mowers, stackers and sweep rakes is \$1.25 per hundred carload lots; from Chicago, it is \$1.30. Denver is half way between Chicago and California. We are rather at a disadvantage in freight rates as compared with Chicago, because we have  
 517 certain material we have to ship in to Denver and pay a freight rate of approximately 60 cents per hundred carload lots. Adding that to the manufactured article from there to California makes it a higher rate than the Chicago-California one.

The International does the largest per cent. of the mower business in the territory we cover. After that it is divided up pretty evenly. I am one of the smallest manufacturers.

### Cross-Examination.

#### *With I. H. C. Competition Sales of Mowers Are Increasing.*

Since 1905 I have been manufacturing mowers and harvesting machines and selling them in competition with the I. H. Co. I think the freight rates are those which  
 518 have been approved by the Interstate Commerce Commission. I entered into this competition with the I. H. Co. as a business proposition. The only way we could get what we considered satisfaction was to make our own machines. We thought we could make a market on machines and develop a growing business, notwith-

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standing the opposition of the Harvester Company, and, to a certain extent, it has been proven that we were  
 519 right. We put out twice as many in 1906 as in 1905. We increased each year since. Our output in 1912 is practically 1000 per cent. greater than in 1905. Our manufacture of stackers has increased from year to year. The same is true of sweep rakes.

In the marketing of machines we have agencies. Every year we have increased the number of our agents, approximately in the same ratio as the increase of the business.

*Re-direct Examination.*

520 I do not know how many mowers the Harvester Company have sold in our territory. At an estimate I should say they do from 75 to 85% of the business in the harvester line.

*Re-cross Examination.*

My statement as to the percentage of output of the International is purely an estimate. I have no data upon which I can be at all certain. We manufacture other lines besides what is shown on this statement; hand and wind-mill pumps, and irrigation pumps, water tanks, tools, etc.

129 FREDERICK ROBINSON:

*Business of Case Threshing Co.*

I reside at Racine, Wisconsin, and am Vice-President of J. I. Case Threshing Machine Company. Its factories  
 130 are at Racine. The principal lines we sell in the United States are threshing machinery, steam and gas traction engines, hay balers, road-making machinery generally. The company is not a manufacturer of harvesting machinery, and does not manufacture binders or mowers.

*Case Company Has Completed an Experimental Binder.*

Q. So far as it relates to your company, is the following a true statement: "They aver that of the foregoing competitors of the International Harvester Company the following have become manufacturers and sellers of harvesting machines since 1902, and their respective per cents of the total trade in the United States in these machines has been and is rapidly increasing: Binders: \* \* \*



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J. I. Case Threshing Machine Co., Racine, Wis.? Is that statement true so far as your company is named?

A. There is ground for that statement, Mr. Grosvenor, as we have completed an experimental binder and it has been in the field.

We have sold no binders.

As a statement of present fact it is not true that our per cent. of the total trade of the United States in harvesting machines has been and is rapidly increasing. We have hope that it will.

*Cross-Examination.*

Q. I will ask you whether this statement, which in our answer precedes what the counsel read to you is true: "They deny that there are only three or four manufacturers of harvesting machinery in the United States other than the International Harvesting Company, and they aver that the following corporations (except J. I. Case Company, which has an experimental binder and is constructing a large plant for its manufacture, but has not yet effectively entered the harvester trade) are engaged in the manufacture and sale of harvesting machinery in the United States,"—whether that statement correctly states the position. A. Yes, sir.

Our experimental binder is perfected and practical, and has been tested out in the fields. We have not yet got ready to place it on the market. The J. I. Case Company does a very large business throughout the United States.

*Case Co. Has About 10,000 Local Agents.*

We have a very large and efficient force of local agents, about ten thousand. When we decide to put this binder out upon the market we hope that all of this force will be available to be utilized in the marketing of those binders. During the past ten years the number of local agents of the J. I. Case Company has grown very largely and continuously. When we decide to put this binder upon the market we believe that we can do it.

*Re-direct Examination.*

I believe we are building about 300 shredders this year. Frank K. Bull is president of our company. He also is president of the Belle City Manufacturing Company, located at Racine, Wisconsin. It manufactures feed cut-

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ters and silo filling machinery as the principal lines and a small threshing machine. I do not know whether the Belle City Company has a contract with the I. H. Co. for the sale of its output of threshers.

- 139 The only lines with which we compete with the I. H. Co. are in corn shredders, which is not very extensive with us, and the gas tractor, which we have only been making the last 18 months. We have made about 1,200 gas tractors this year. We have no plans to put out any other binder than the experimental one which we call the Case binder. We would like to have a plant that would produce it and name it the Case. In our enlargement now under way we have provided certain capacities which will permit us to elaborate and touch upon the binder field. This enlargement is primarily for the other lines which we are now making.

#### *Re-cross Examination.*

We manufacture two sizes of gas tractors; one is called the 30-60, weight 25,000 pounds, list price \$2,800, of which we are having manufactured for us about 500. The other is the 20-40, list price \$2,000, of which we are producing 1,200. We went into the business of manufacturing and marketing gas tractors after the I. H. Co. had engaged in that business, and there is active, strong competition between our company and that company. Our business in gas tractors is growing.

- There is active and strong competition between our company and the I. H. Co. in the matter of shredders and our business in that line is growing somewhat. We manufacture but one size of shredder called the 10 roll.
- 141 In general appearance it is not unlike a threshing machine. It is a big machine which sells for \$650 to \$700.

#### *Case Co's Authorized Capital \$40,000,000.*

The J. I. Case Company has an authorized capitalization of \$40,000,000—\$20,000,000 preferred and \$20,000,000 common. At the present time there is approximately \$12,000,000 of preferred and \$8,000,000 of common issued.

156 EDWARD A. RUMELY:

I am Treasurer and General Manager of the Rumely Company of La Porte, Indiana, manufacturers of agricul-

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157 tural implements. The company has been in business as such since 1887. As a partnership it existed since 1853. Originally we manufactured threshers and steam engines; then traction plowing engines, clover hullers, wind stackers, feeders, corn shredders and huskers, corn shellers, sawmills and other smaller parts. In addition, we are jobbing cream separators, gas engines and smaller articles.

*Business of Rumely Co.*

We neither manufacture nor job harvesting machinery. We are not selling rakes today but we shall this year. We make huskers and shredders. That is a machine which takes the entire corn stalk, removes the ear of corn and shreds the stalk for fodder. It is a large and expensive machine and is not used generally on small farms, but in the corn belt it has been a fairly important machine.

158 Ensilage cutters are beginning to take their place on the farm. This is a machine which works up the green corn stalk for fodder in place of working up the dry fodder, as a shredder does. It is a less expensive but more generally used machine and is far safer to handle. The number of huskers and shredders we have manufactured in the last ten years is as follows:

|      |     |      |     |
|------|-----|------|-----|
| 1901 | 50  | 1907 | 138 |
| 1902 | 130 | 1908 | 105 |
| 1903 | 142 | 1909 | 11  |
| 1904 | 100 | 1910 | 124 |
| 1905 | 104 | 1911 | 492 |
| 1906 | 96  | 1912 | 575 |

The 1912 frame is only the finished product up to this date. We have material on hand for about 400 more, which we are holding in suspense to see whether the market will take them.

We manufacture tractors. There are two kinds of tractors—steam and internal combustion. The plowing engine originally was a steam engine but within the last four or five years, the internal combustion engine has been so developed that it offers advantages over the steam engine. Tractors for plowing are largely internal combustion motors, mounted on wheels with gearing so as to  
159 be self-propelling and able to draw from 4 to 12 plows in

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a gang. Tractors are also used for propelling threshers, corn shredders and similar tools.

I am not quite certain who manufactures the most tractors today. Either the International Harvester Company, Rumely Company, J. I. Case & Company, Emerson-Brantingham Company, Hart-Parr Company or Aultman-Taylor Company. There are numerous small concerns—The Pioneer Tractor Company, Nichols & Shepherd Company, Minneapolis Threshing Machine Company, Hackney Co., and other smaller ones. Either the International or the Rumely Company, I think, is the largest manufacturer.

We are jobbing gas engines but not manufacturing them. A gas engine is a small internal combustion motor arrangement from  $1\frac{1}{2}$  to 25 H. P., with a fly wheel for delivering its power to power-driven machinery. It is used for pumping, churning, threshing and similar work on the farm. Its fuel is gasoline or kerosene. We have a line of gas engines manufactured for us exclusively. Probably the largest manufacturer of gas engines in the United States is the I. H. Co.

160 We are also jobbing cream separators. By “jobbing” I mean the sale of products which are purchased by us, ready-made, from other manufacturers. We job the Olds cream separator made by the Omega Separator Company of Lansing, Mich. The largest manufacturers of cream separators are; the DeLaval, Sharples, United States, Vermont, International Harvester Company, Sears-Roe-buck. The largest is the DeLaval; the next largest is either the United States, the International or Sears-Roe-buck.

161 We manufacture threshers on a very large scale. We understand that the I. H. Co. has entered on the sale of threshers. They have sold different threshers at different branch houses, on the jobbing basis—the Belle City and the Aultman-Taylor, and in Canada, I think, the Buffalo-Pitts. The tendency among manufacturers of agricultural implements today is toward distributing a full line of implements. By that I mean not confining the business to one article salable only at a particular time. In the early spring the farmer needs the plow; a little later the harrow, then the seeder, later the harvester and finally the thresher. A “full line” is known technically

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as the dealing in enough implements to have something to sell at every season of the year.

*Cross-Examination.*

*Business Prosperous and Growing in Competition with I. H. Co.*

Our business is prosperous and rapidly growing. It has grown with particular rapidity during the last five years.  
162 Last year we did \$10,586,000 worth of business. Six years ago our business was about \$800,000. That growth went on notwithstanding the competition of the I. H. Co. It is a competitor of ours in shredders, threshers, tractors, gang plows, cream separators and gas engines.

The Advance Thresher Company began making threshers in 1901. We purchased their assets in 1911. From 1901 to 1911 there was an increase in the shredder business of from 50 to 492. In 1912 we completed 575 shredders with 400 additional waiting to see whether the market will take them. That growth occurred while we were in active competition with the I. H. Co.

We went into the tractor business three years ago.  
163 The I. H. Co. was in the business then. The fact that it was making and marketing tractors did not convince us there was no opening in that business. We have gone into the tractor business and developed it in active competition with the I. H. Co. We made 50 tractors the first year. This year we made about 3,000.

We went into the gas engine business in 1911. The I. H. Co. was in the business at that time. We went in because we thought the oil engine we were making would enable us to compete with the engine manufactured by the Harvester Company. We sold several hundred last year. We are selling now on the basis of 15,000 a year.

We began jobbing cream separators this year. We feel  
164 that we shall succeed in selling a reasonable number of them.

My grandfather started the thresher business in 1858. We are still carrying on that manufacture and expanding the trade. We neither manufacture nor job harvesting machinery, but our business has been successful and rapidly developing in the lines we do handle. The fact that the International makes a considerable proportion of all the harvesting machinery sold in this country has not

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prevented our expanding our business in those other lines.

I understand that the thresher, the cream separator, the shredder, the tractor and the gas engine are included in the term agricultural machinery. We have taken up  
165 various implements that have been dealt in by the Harvester Company successively. We have succeeded in building up a profitable business in each line we undertook to deal in. Our company had 12,000 local agents in the United States in 1912. We estimate we will have 15,000 for the coming year. This includes Canada, where approximately 20 per cent. of our agents are.

### *Reasons for Long Line.*

We formerly found it difficult to secure local agents, when we had but one line of machinery, because the local agent felt the contract which we gave him was not sufficient for him to make a good living on. As we added to our line and were able to offer the agent a variety of things, we found it easier to increase the number of local agents from 400 to our present number.

166 In order to manufacture cheaply and economically, we must manufacture in large quantities. To sell the output of a factory turning out a larger quantity one must cover the entire market. When you have covered that market and have located branch houses and a corps of traveling salesmen over a very wide area, to hold good men you must be able to keep them the entire year. To secure desirable branch house locations in the principal distributing centers, you must rent buildings for the entire year or else build them yourself. Having secured an adequate market for one particular implement, in order to use the idle time with results, you must add additional implements to fill in the other ten or twelve months that are slack for the particular implement on which you started.

We found, after recognizing that as an underlying fact and shaping our business policy in accordance with it, that our business immediately expanded in volume and profits. I do not know what proportion of the shredder business in the United States the I. H. Co. does. I think the Harvester Company does from 12 to 15 per cent. of the tractor  
167 business: between 15 and 20 per cent. of the gas engine business: about 16  $\frac{2}{3}$  per cent. of the cream separator business in the United States. These estimates are based

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on information available to me. The International Harvester Company does not do over 4 per cent. of the thresher business. Dealers in agricultural implements in the United States other than the I. H. Co. have in the last ten years as a rule increased their businesses, their capacities and their organization.

*Re-direct Examination.*

I find that I omitted the name of the Avery Company from my list of manufacturers of threshing machines, tractors and gang plows. I find also that I forgot to include hay balers as among the line of goods which we job. A hay baler is the same as a hay press.

177 J. L. SMALLEY:

*Output of Smalley Mfg. Co.*

I reside at Manitowoc, Wisconsin, and am engaged in the agricultural implement business with the Smalley Manufacturing Company of which I am Vice-President. That company has been in business about fifty-seven years under different names. We make no binders, mowers, rakes, reapers, corn binders or hay tools.

178 We make an ensilage cutter, which is a machine with knives and rollers to feed the fodder into the knives to be cut up into short lengths. It is a sort of shredder but it is not a husker. The knives of our machines are interchangeable with the shredder. They can be taken out and a shredding head put in. About 5 to 8 per cent. are sold with this attachment I should say. We used to manufacture huskers but we abandoned it two years ago. A husker and shredder is very expensive and complicated. The implement we sell is less complicated and less expensive.

The witness produces a statement labeled "Feed Cutter Sales", giving figures for three different things, as follows: Hand Feed, Snappers and Specials. The "hand feed" applies to a feed cutter that simply has the cutting head and the roll with a flat table to throw the fibre on. The snapper has smaller rolls to snap off the corn. to the feed rollers. The shredder attachment can be at The Special, which we have now changed to the name of Force, has a traveling feed table to bring the fodder up tached to all of these implements.

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180 The total feed cutters of all kinds manufactured by our company for the years named are as follows:

|      |      |      |      |
|------|------|------|------|
| 1902 | 934  | 1907 | 1135 |
| 1903 | 1047 | 1908 | 773  |
| 1904 | 778  | 1909 | 1006 |
| 1905 | 690  | 1910 | 1772 |
| 1906 | 706  | 1911 | 1918 |

I think the International Harvester Company has manufactured ensilage cutters for several years.

*Cross-Examination.*

We advertise ourselves as manufacturers of huskers and shredders. This year we added a small husker to our output.

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*Re-direct Examination.*

Our capitalization is \$52,000. I do not know whether we have an authorized capitalization of \$100,000. \$52,000 is all that has been issued.

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397 HARRY SNYDER:

*Business of Bateman Mfg. Co.*

I live at Greenloch, New Jersey, and am treasurer of the Bateman Manufacturing Company, makers of farm and garden tools, orchard implements, potato planters, hay rakes and a few other things. Hay rakes are not a large part of their business. This is the 77th year they have been engaged in business. I produce a statement showing our sales of hay rakes which commenced in the  
398 year 1909. (Petitioner's Exhibit 249):

|             | Year Ending<br>July 31st,<br>1909. | Year Ending<br>July 31st,<br>1910. * | Year Ending<br>July 31st,<br>1911. | Year Ending<br>July 31st,<br>1912. |
|-------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Number sold | 1026                               | 1226                                 | 1198                               | 989                                |

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14 MATT SPROUL:

*Business of DeSoto Mfg. Co.*

I have resided at Sparta, Ill., about 55 years. I am a manufacturer of huskers and shredders in a small way.  
15 I bought out the DeSoto Mfg. Co., of DeSoto, Mo., late in



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the fall of 1907 and since then have conducted that business.

We have two distinct machines, both for use after the corn is shocked—one, a shredder, takes the corn off the stalks; the other is a combination machine which shreds or snaps the ears off and also takes off the husks.

16 The first year I only manufactured one, which was the De Soto Company pattern—a shredder and snapper only. In 1908 I made a combination machine and manufactured two; in 1909 I manufactured three machines and sold them. In 1910 three; 1911 three; 1912 two. The combined machine was an experimental one. The figures given cover the entire output of both kinds of machines.

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395 FRANK S. TAYLOR:

*Business of Belcher & Taylor Ag. Tool Co.*

I am agent and treasurer at Chicopee Falls, Mass., of the Belcher & Taylor Agricultural Tool Company. We make and sell wooden hay rakes. That is only a small per cent. of our business but we have been making those rakes for a great number of years. Our total annual business in those rakes is between \$2200 and \$2300. We sell our  
396 output mostly in New England. I understand that the International make a steel rake. We think that the wooden rake is better suited for the hilly parts of New England. A rake made by the Charles G. Allen Company of Barre, Mass., is similar to ours—a wooden rake. I have produced a statement (Petitioner's Exhibit 248), showing the number of binders, mowers, corn huskers and shredders, hay rakes, manufactured for sale by us in the United States, 1902 to 1911 inclusive.

|     |       |      |      |      |      |      |      |      |
|-----|-------|------|------|------|------|------|------|------|
| 397 |       | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 |
|     | Rakes | 62   | 65   | 73   | 94   | 87   | 58   | 89   |
|     |       | 1909 | 1910 | 1911 |      |      |      |      |
|     |       | 94   | 94   | 125  |      |      |      |      |

We were in the business of selling hay rakes before 1902.

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191 J. D. WHITE:

*Business of Emerson-Brantingham Co.*

I am Sales Manager of Emerson-Brantingham Company, manufacturers of farm machinery at Rockford, Illi-

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nois. That concern has been in business since 1852. I have been with the company since 1889. Its principal line has been farm machinery excluding the harvesting machines,—plows, cultivators, harrows, mowers, rakes, planters and disc harrows. It is not manufacturing binders or sweep rakes nor until last year side delivery rakes. Many years ago we made reapers.

- 192 Our company has made the Emerson mower, also known as the Standard mower, since 1885. This mower has always sold at a slightly advanced price from the Deering and McCormick. That was true in 1902 and it is true to-day. It is a more expensive machine to build and a more desirable machine for the consumer to purchase. Its peculiar feature is that it carries the entire weight of the cutter bar and the operator on the drive wheels, thereby increasing the traction power. That device was originally patented. There is no other mower that I know of which can have a cutter bar this length in a side cut. I could not say how long ago it was that that patent expired.

#### *Sales of Mowers and Rakes.*

- 194 Witness produced a statement showing the sales of mowers and rakes from 1902 to 1912:

|         | Rakes | Mowers |
|---------|-------|--------|
| 1902-03 | 6514  | 2201   |
| 1903-04 | 2159  | 2871   |
| 1904-05 | 1784  | 3555   |
| 1905-06 | 2717  | 4627   |
| 1906-07 | 2818  | 5000   |
| 1907-08 | 3189  | 5912   |
| 1908-09 | 5839  | 9519   |
| 1909-10 | 4460  | 11460  |
| 1910-11 | 4927  | 9553   |
| 1911-12 | 3812  | 9592   |

#### *Cross-Examination.*

“*Largest Line of Farm Machinery in the World.*”

- 194 I am the head of the Sales Department. Our company  
 195 makes a large line of farm machinery. We advertise that we make the largest line of farm machinery in the world. We have plants at Columbus, Ind., Rockford, Ill., Marion, Ind., Minneapolis, Minn., Batavia, Ill.; also two other plants at Rockford, Ill.; at Winnipeg, Canada,  
 196 Chicago Heights, and Waynesboro, Pa. The Columbus,

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Ind., plant makes threshing machinery, steam tractors, steam plows, clover hullers, corn shellers, bailing presses, gas tractors and sawmills. One of the plants at Rockford, Ill., makes Emerson mowers, walking plows, foot lifts, sulky and gang plows, also, engine plows, deep furrow  
 197 plows, harrows, roll pulverizers, listers, planters, stalk cutters, cultivators and rakes. At the Marion, Ind., plant we make grain drills, fertilizer drills, single and double disc drills and hoe drills. At the Minneapolis, Minn., plant we make Big Four tractors. At the Batavia, Ill., plant we make Newton wagons, Rock City wagons and Sandow trucks. At the second Rockford, Ill., plant we make Emerson gas engines, both stationary and portable. At the third Rockford, Ill., plant we make Emerson buggies, surreys and spring wagons. At the Chicago Heights  
 198 plant we make hay loaders, spreaders, sweep rakes, stackers, side delivery rakes and tedders. In Waynesboro, Pa., we make steam tractors, road rollers, portable engines, hay presses and sawmills.

Our line of machinery is widely advertised as the largest line of farm machines in the world. The subpoena asked me only to bring the figures with reference to mowers and rakes and that is all I have brought.

*Business Increasing Notwithstanding I. H. C. Competition.*

At present we have 12,000 retail implement dealers handling our goods. The business of our company is growing and has been growing during the last ten years.  
 200 Our mowers sell in increasing quantities. The patent that I spoke of on it has expired. In all the lines of business that our company does, where we handle machines handled by the Harvester Company, we are in active competition with that company. Notwithstanding that competition, we have increased our business.

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188 W. D. WORNER:

I have been general agent for the Acme Harvesting Machine Company at Aberdeen, South Dakota, since December 1, 1908. I have been engaged in the harvesting implement business for a number of years besides that. My territory embraces the northern part of South Dakota and the lower counties of North Dakota.

189 I think the International does about 70 per cent. of the

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business in grain binders in that territory. The balance is done by the Johnston, Acme and Independent Harvester Companies. I do not know that the Adriance-Platt or Wood companies do business in that part of the country.

I think the International does 70 per cent. of the mower business. The International and the Johnston sell corn binders in that territory. I think the International does 95 per cent. of that business.

There are about two implement dealers to a town in my territory, sometimes there are three, and occasionally there are four. As a general rule, one of the dealers handles the McCormick and the other the Deering. The different lines of wagons, manure spreaders, tillage implements and cream separators, are divided by the International in the same manner between the different dealers. This policy has an effect upon the supply of dealers  
190 available to our company and makes it difficult for us to get good dealers. Some of the dealers who handle our lines also handle those of the International. I judge about 20 per cent. of them do that but, on the whole, they are not as satisfactory as other agents. I do not know of any other manufacturer in our territory which divides its lines among the different dealers in this manner. We rarely can take a farmer or a blacksmith and turn him into a satisfactory dealer.

*Cross-Examination.**Acme in Active Competition with I. H. Co.*

191 I took the agency of the Acme in December, 1908. The business of the Acme Company has been carried on in active competition with the International. Our business has grown in a measure. The Johnston Company sells binders in our territory but I do not think its business is growing. The Independent Harvester Company's business is growing. In a very few years it has made substantial progress and the indications are that its progress will continue.

I could not state whether we have more agents in our territory now than in 1908, because the territory was re-  
192 arranged. We have more agents now than we had in 1909—10 per cent. more. The reason the 20 per cent. of our agents who handle our and International machinery

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are not as satisfactory agents as the others is that they give too much attention to the International lines. We certainly would like to have all of their time and efforts. The effort is to get men who will put in their whole time selling our machines.

*Re-direct Examination.*

The business of the International has grown in our territory in these years. The Independent has not done any great amount of business except in certain towns.

**WITNESSES FOR DEFENDANTS.**

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202 C. H. ALLYN:

*Business of Madison Plow Co.*

I reside at Madison, Wisconsin. Am vice-president and manager of the Madison Plow Co., which makes plows, harrows, cultivators and corn planters, and does business principally in Wisconsin, Northern Iowa, Southern Minnesota, Central Minnesota and some little jobbing trade in the Southwest. Prior thereto was for 20 years with the Fuller & Johnson Manufacturing Co. of Madison, Wisconsin, which manufactures the same line of goods, and engines. I was in their sales department. They sold throughout practically the same territory we do; their  
203 business was a little more widely extended. During the whole period I have been in business in competition with the I. H. Co. in certain implements. While with Fuller & Johnson people it was cultivators, harrows and engines,—the last two years it has been cultivators, harrows and corn planters.

The Madison Plow Company is a small concern—our business is growing satisfactorily.

*I. H. Co. Competition Fair.*

We found the competition of the I. H. Co. throughout those 10 years fair and businesslike. We sold and sell our implements in the main to retail implement dealers who, in a great many instances, handle I. H. Co. harvest-

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ing machinery. I think that is true of the majority of our sales. We have not found that fact an impediment to selling them implements we handle in competition with the I. H. Co. and we have found the field open in the territory where we have done business in competition with the I. H. Co.

*Attempts to Coerce Would Lose Vast Majority of Dealers.*

In my experience I have become fairly well acquainted with a great many implement dealers in the section named and know their methods of doing business. If the I. H. Co. should adopt and enforce policy of saying that dealers could not handle I. H. Co. harvesting machinery unless they handled their long line exclusively I would say I think that policy eventually, if not right away, would curtail their business. The stronger, more desirable and vast majority of the dealers would refuse to do business with the I. H. Co. on that condition.

*Cross-Examination.*

We do not make harvesting implements, and are not in competition with the I. H. Co. on that line. Our principal line is plows, riding cultivators, disc harrows, corn planters and transplanters. The I. H. Co. makes no plows and sells none in my territory that I know of. They sell corn planters; could not say as to the quantity they sell in my territory.

There is an advertisement of my company on page 422 of the Implement Blue Book and Trade Journal as follows:

Madison Plow Co. President, Jackson Reuter; Vice-President, C. H. Allyn; Treasurer, J. M. Boyd.—Walking, Breaking, Sulky and Gang Plows, Breaker Attachments, Harrows, Harrow Carts, Tongue Trucks for Disc Harrows, Cultivators, Corn Planters and Transplanters.

Witness: I have never been in the employ of the I. H. Co. \$76,200 of the capital stock of my company is issued, there is a surplus of \$6,250, and undivided profits of \$13,418.

370 JOHN F. APPLEBY:

I live at Davenport and my business is manufacturing harvesting implements. I invented the knotter and many essential parts of the self-binder. I have been interested in harvesting machinery for 54 years—since I was 17 years old; I worked on the knotter and the self-sizing of the bundle. I completed the invention of the knotter before 1858, but I was too poor to take out a patent. I went into the army during the war and worked on the binder while there. I patented a magazine firearm and sold my patent after the war and with the money I worked on the binder at Mazomanie, Wis.

*Experience in Harvester Business 54 Years.*

372 There was then a sentiment against binding with twine and I catered to it by building a wire binder. No one would believe in the knotter I had completed because they feared the insects would eat the strings from the bundles.

I built a wire binder as an experiment at Mazomanie, Wis. A year or two after I got the Beloit Reaper Company to build a twine binder. I completed the binding attachment in 1876. Four twine binders were built that year. 373 In 1877 I got Blanchard & Arnold of Milwaukee to build some self-binders, and we sold one of them. I improved them and in 1878 I built 115 of them for the Parker & Stone Reaper Works. In 1879 I built 75 for Gammon & Deering at Plano, Illinois. In 1880 the Deering people built 3,000. After 1880 all the patents issued were for mere improvements, for the essential fundamental principles of the binder were all contained in my patents.

376 In 1893 I built a binder at Harvey, Ill., called the Harvest King, for Craver & Steele. At that time it was possible to build a complete successful self-binder without infringing any patents. I was familiar with the condition of harvesting machines when the I. H. Co. was organized, for I was then working for the Deering people. I was connected with the International one year building a 12-foot harvester and binder—binding header and binder. For the last ten years I have been engaged chiefly in experimenting on cotton pickers. At present am manufacturing cotton pickers at Davenport and beginning on harvesters, binders, shockers and traction farm engines.

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My company is the Western Implement & Motor Co. We have recently built another binder harvester. Am building it now and will complete it within a month, I guess, shocker and all complete. When finished I expect it will be better than any binder harvester now in existence. It will infringe upon no patent on any feature it embodies, that I know of.

*No Obstacles in the Field.*

From my experience and knowledge of the harvesting machine business, I feel that the field for making and  
378 selling of harvesting machinery is free and open. I propose to go into it again. I know of no obstacles or obstructions to my doing so.

*Cross-Examination.*

379 The Western Implement Company was organized a little over a year and a half ago. J. E. Bermeister, a Davenport man, and W. M. Smith were founders of it.

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47 GEORGE W. BAKER:

*Johnston Harvester Co. No Difficulty in Getting Local Dealers.*

I reside at Batavia, New York. Have been assistant sales manager of the Johnston Harvester Company since 1900. Have been acquainted with their business east from Indiana, which has been under my particular charge  
48 for the last five years. I have been making frequent trips in the territory west of Indiana, on the business of the Johnston Company, and in that way have become in a general way acquainted with their business in the rest of the United States—to the West.

Until the first of last January, the Johnston Harvesting Company made only harvesting machinery in the United States, then we added some lines. During the past 12 years these goods have been marketed in the United States through local dealers. In my territory I have had to do with the securing of those local dealers to handle their goods. During past ten years have had no difficulty in getting local dealers to handle the Johnston harvesting line in my territory. The number of machines that the managers of the business would allot for the



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American trade has determined the quantity of binders and mowers and rakes of the Johnston brand sold in my territory during the past 8 or 10 years. I could easily have obtained other agents and have sold more of those machines if it had been the policy to expand in that direction. Our machines have been sold during all that period in the United States in competition with like machines of the International. The competition of the International had been fair and businesslike.

*Impracticable to Try to Coerce Dealers.*

Am familiar with the trade that handles agricultural implements, especially harvesting lines, and with the local dealers in different parts of the United States. It would not be practicable or beneficial for any company dealing in such goods to attempt to coerce the local dealer, either by trying to compel him to buy other lines than the harvesting line, or to compel him not to handle any competitive goods of any sort. I should say, it would be detrimental to the company that tried it.

The Massey-Harris Company of Canada, is now a large holder of the stock of my company. It became a prominent factor in the conduct of the Johnston Harvester Company's business nearly two years ago. Since that time the capacity of the Johnston Harvester Co. has doubled. The greater part of our business is in export trade. Batavia is very favorably located for that business.

In my territory there are a few instances where local dealers handle our product and I. H. Co. goods. I do not find that any obstruction to my business, or interference with it. Have been familiar with the harvesting machine business in the United States since 1877. At the request of the defendant Harvester Company have had prepared a list under my direction, of towns west of Pennsylvania in which my goods are sold, and excluding the Pacific Coast and the portions of the country where it is handled by jobbers. In my territory the business is all conducted through local dealers, and on the Pacific Coast it is through jobbers; also by jobbers in Wisconsin, Minnesota, the Dakotas, Nebraska, and some little in the South; in Texas and Georgia there is a little. Pennsylvania is not included in the list I made up. There are 400 dealers there anyway, and 500 in New York. The list which I hand

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the counsel is a correct list of the towns in the states of Illinois, Indiana, Iowa, Kansas, Michigan, Missouri, and Ohio, in which the Johnston Harvester Company has agencies for the sale of its goods, or dealers who handle them this season. It is taken from our contract record.

Said list offered in evidence (subject to objection reserved), appears in full in Vol. XIV, pp. 244-251, and shows: Total number of agencies, 1018, distributed throughout said territory as follows: Illinois, 177; Indiana, 204; Iowa, twelve; Kansas, sixteen; Michigan 177; Missouri, 169; Oklahoma, two; Ohio, 261.

*Cross-Examination.*

- Have been with the Johnston Co. continuously since  
 51 1896. Am assistant sales manager. A. P. Campbell is sales manager. I assist in domestic sales only. The foreign business is handled from the same office, in charge of L. D. Collins, treasurer. We have no foreign export agent in New York City, except as forwarders. They are Wil-

52 liams & Terhune.

My company has not to my knowledge made several efforts to sell out to the I. H. Co. in the past 8 or 9 years. I think my position is such that I would be advised whether or not such had been the case. I have had no occasion to desire the information as to the name of our forwarding agent in New York City, or whether they act for the I. H. Co.

- All of our general agencies, for domestic business are located east of the Mississippi river, other than the agencies at St. Louis and Kansas City. I started the business in Kansas City in 1896. We have nine branch offices in the United States, located at Batavia, New York; Albany, New York; Harrisburg, Pennsylvania; Richmond, Virginia; Columbus, Ohio; Lansing, Michigan, Indianapolis, Indiana; St. Louis, Missouri; Kansas City, Missouri. The large bulk of our domestic business is done east of the Mississippi. The bulk of our business in 1901 and 1902, when the International was organized, was east from Indiana. We were not doing any direct business to speak of west of Indiana then. Whatever business we did was through jobbers. The list I have produced, giving the names of towns in Illinois, Indiana, Iowa, Michigan, Kansas, Missouri and Ohio are towns that are all
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handled directly from the general agencies, and not through jobbers.

54 We have contracts with the dealers in these towns for the season of 1913. I have made no comparison as to how many of these dealers I had contracts with in 1912. We have not a good many more contracts for 1913 than we had for 1912. It is about the same.

*Re-direct Examination.*

Our business has expanded into the central west since the International was organized. Our present sales manager became such on March 1st, 1912. He was not connected with the Johnston Company before that.

*Re-cross Examination.*

A. P. Campbell is the name of our sales manager. He came from Canada, and was employed over there by the Massey-Harris Company.

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189 GEORGE E. BALCH:

*I. H. Co. Competition In Hay Presses Fair.*

Am with the Kansas City Hay Press Co.; am secretary and assistant treasurer; have been with company ten years; am in touch with its business. Our principal business is manufacturing hay presses and gasoline engines. They are handled together as a rule; largely 190 power presses. We ship hay presses west of California and east to Ohio. In the hay press business we are in active competition with the I. H. Co. and have been during the years the I. H. Co. has been making the hay press and engines. Our competition with the I. H. Co., as I have found it, has been the same as any other competition, fair and businesslike. During the past ten years many companies have gone into the manufacture of engines and hay presses. Competition during that period in the business has increased. Notwithstanding the increase of competition, our company has maintained its business during the last ten years.

*Cross-Examination.*

We make gasoline engines from 5 to 20 H. P. We make more from 6 to 10 in connection with

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hay presses. We are mainly in the engine business to  
 191 meet demand for power presses. The sale of power  
 presses is comparatively new; largely developed in  
 the last ten years. My company was incorporated  
 in 1889; had been selling presses since 1886; think  
 we put out 500 or 600 hay presses in 1912. Do  
 not know how many in 1911. I have charge of  
 the sales. A large portion of the territory we  
 cover is jobbed. In Oklahoma, part of Kansas  
 and Missouri, we work direct through local dealers.  
 Cannot tell how many machines are sold through local  
 dealers in 1912. Do not think it would be half of our  
 business. Cannot say just what percentage was. Do  
 not divide business up that way. Only report I get is  
 at the end of the year, total sales. Do not know how  
 International sells its hay presses. In some of my terri-  
 192 tory they sell through local dealer. As to whether I know  
 much about trade conditions and conditions in the country,  
 I am in touch with conditions concerning the hay press  
 business of my company. As to what I know about how  
 the I. H. Co. sells its presses, I know that in the matter  
 of meeting competition they sell to dealers in the territory  
 in which I am working.

*Re-direct Examination.*

I know of some cases where we sell hay presses to  
 firms that handle International goods. I have not found  
 the fact that a dealer handles I. H. Co. harvesting ma-  
 chinery is an impediment to my sales, if I got there  
 first.

*Re-cross Examination.*

If I did not get there first, it was a matter of com-  
 petition. The fellow that gets there first generally gets  
 the business; I mean whether I get to the dealer or the  
 other man gets to the dealer first in the selling of hay  
 presses.

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334 ALBERT C. BARBER:

Have been sales manager for the Moline Plow Company  
 and its branches for six years. Prior to that time for  
 three years was assistant sales manager at Moline; prior

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to that manager at Kansas City, Minneapolis, and prior to the Minneapolis management, was assistant manager at St. Louis; all for the Moline Plow Company. That company sells quite a long line of agricultural implements.

*I. H. Co. Competition Clean and Fair.*

As sales manager and assistant sales manager for the past nine years have been in executive charge, directly while sales manager, and under the manager as assistant sales manager, of the implement sales of the Moline Plow Co., which sells its products throughout the entire United States. During that period, or part of it, we have been in competition with the I. H. Co. in the sale of imple-  
 335 ments; wagons, hay loaders, and that class of goods, as well as disc harrows, lever harrows, grain drills, and corn planters and manure spreaders. I have never found the competition of the I. H. Co. other than clean and fair.

The field in United States has been open to successful business in competition with the I. H. Co. in the implements I named. Business of the Moline Plow Co. and the sale of those implements have been growing; our business has been very, very good.

*Moline Plow Co. Output.*

In 1902 the output of the Moline Plow Company wagons was 6,419; in 1903, 9,390; in 1904, 10,876; in 1905, 11,871;  
 336 in 1906, 18,830; in 1907, 23,468; in 1908, 18,829; 1909, 21,386; 1910, 24,175; 1911, 19,461; 1912, 22,814.

For 1913 we have two months to go; for the ten months it was 27,034. In giving these numbers I refer to the fiscal year of my company, ending June 30th of each year.

We went into the manufacture of hay loaders in 1910, putting out that year 100. In 1911 we put out 470; in 1912, 1,096; in 1913, about 3,000. Went into the manufacture of manure spreaders in 1905. Put out 249 that  
 337 year; in 1906, 2,384; 1907, 4,201; 1908, 1,700; 1909, 3,594; 1910, 5,618; 1911, 2,135; 1912, 2,140; 1913, about 4,000. In 1910 we abandoned the construction we had up to that time, and began another one. We had to begin over again in the business. In 1910 the large sale of 5,618 was due to the very low price we made. We cleaned up the stock we had of those old machines and raw stock we had on hand, that we manufactured into machines that year, so that we started in with the remodeled machine.

We began making disc harrows many, many years ago.

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In 1902 we made 6,477; 1903, 7,234; 1904, 8,459; 1905, 9,923;  
 338 1906, 12,891; 1907, 15,056; 1908, 11,728; 1909, 12,576; 1910,  
 14,936; 1911, 10,746; 1912, 13,140; 1913, about 15,000.

Lever harrows are composed of two, three or four sections, so we keep account of output by sections. The output by sections is as follows: 1902, 29,839; 1903, 31,498; 1904, 29,702; 1905, 30,085; 1906, 35,295; 1907, 38,439; 1908, 32,380; 1909, 36,348; 1910, 43,927; 1911, 32,681; 1912, 36,971; 1913, about 45,000.

339 We bought the grain drill plant in October, 1908. In 1909 the number of grain drills was 6,950. That was for the year ending June 30, 1909. The output by years is as follows: 1910, 15,232; 1911, 9,447; 1912, 9,182; 1913, about 12,000.

The business of Moline Plow Co. is manufacturing farm implements. Its business has had a steady and constant growth. Its capital in 1892 was \$800,000. In 1902 it was \$2,400,000. In 1902 we increased our capital stock from that to \$3,200,000; in 1904 we again increased it to \$4,000,000; in 1906 we increased to \$6,000,000; in 1909 we increased from \$6,000,000 to \$7,000,000; in 1910 we increased from \$7,000,000 to \$9,000,000, and in 1913 we increased from \$9,000,000 to \$18,000,000. Outside of the  
 340 increase in 1913, the increases of the capital stock were effected from the profits of the business and represented those profits.

*Moline Plow Co. Sells to Dealers Handling I. H. Co. Goods.*

We sell our implements throughout the United States to retail implement dealers in the country. That includes implements which we sell in competition with the I. H. Co. We have sold them in quite a large proportion to retail dealers who handle I. H. Co. harvesting machinery. We did not find that fact an obstacle to selling them our machinery. We found no attempt on the part of the I. H. Co. to prevent dealers from buying our implements. Without the figures at hand, should say we sell our goods to from 25,000 to 30,000 dealers in the United States.

In the years named, while I was general sales manager and assistant sales manager of the Moline Plow Co., and General agent at Kansas City, Minneapolis and St. Louis, have kept in close touch with retail dealers, and am thoroughly familiar with their methods and manner of doing  
 341 business. If the I. H. Co. should adopt and put into effect the policy of saying to the dealers of the country that they

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could not handle I. H. Co. machinery unless they handled that exclusively or unless they carried the full long line of I. H. Co. implements and carried those exclusively, there is no question but what the I. H. Co. would lose their good dealers. There are some with whom they might be able to do that, but it would not be a dealer with very much self-respect. Do not think they could do it. The Moline Plow Co. has manufactured no harvesting machinery during the time I have been with them until this year.

*Reasons for Moline Co. Going Into Harvester Trade.*

Q. From your knowledge of the implement business and the trade conditions during the past ten years, what is and was your judgment as to whether the field was open to a successful business in harvesting lines in opposition to the I. H. Co. in the United States?

(Objected to. No foundation has been laid. Witness has no experience in harvesting lines.)

A. My judgment is, and has been for a considerable time, that the field was open, and that is the reason we are now engaged in the harvesting machinery business. The Moline Plow Co. has just entered upon that line through the purchase of the Adriance-Platt Company's plant at Poughkeepsie, New York, where we make a full line of harvesting machinery. I have been a stockholder and director of the Moline Plow Company for some years. I was consulted and took part in the deliberations which resulted in the decision to purchase the Adriance-Platt plant.

Q. What is the fact as to whether the Moline Plow Company bought the Adriance-Platt plant and entered upon the business of manufacturing and selling harvesting machinery as a necessity, or as an opportunity?

(Objected to as incompetent, irrelevant and immaterial.)

A. We felt the field was open in the harvester line, that there was less competition in that line, perhaps, than in any others, and a chance to make some money. The purchase of that plant was simply an expansion of our business into a field of opportunity. We had arranged for quite an increase in our capital, and felt the harvester line was open as a field for expansion. The business of the Moline Plow Co. has not been hampered in any manner by the fact that it did not have a harvesting machinery

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line. There has never been a year I have been with the Moline Plow Company when we have not done all the business our capital would warrant. Made arrangement for harvester plant the latter part of November, 1912; took over plant January, 1913.

*Competing Harvester Business Expanding.*

Q. What success have you had in expanding the business of the Adriance-Platt Company in the manufacture and sale of harvesting machinery in the United States since you took it over?

A. We had increased sales of Adriance-Platt Co. in the United States some 10,000 machines up to May 1st. In deciding to go into the manufacture and sale of harvesting machinery and purchase of Adriance-Platt Co., we were not influenced in any way by this suit of the United States against I. H. Co. We never thought of such a thing.

*Cross-Examination.*

I should say this advertisement in the Implement Blue Book for 1912 is the advertisement of my company for that year. That book is recognized as one of the standard trade directories:

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|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Trade-Mark.<br>Cut of<br>Flying<br>Dutch-<br>man | <p>The Flying<br/>Dutchman Line</p> <hr/> <p>Famous<br/>Moline Plows<br/>Mandt Wagons and Bob Sleds<br/>Henney Ruggies<br/>Freeport Vehicles and Delivery Wagons<br/>Light Running National and Mandt<br/>Manure Spreaders<br/>Flying Dutchman Hay Tools<br/>Monitor Drills<br/>and<br/>McDonald Pitless Scales<br/>All manufactured by<br/>Moline Plow Co.<br/>Moline, Illinois<br/>Sold by<br/>Home Office and Branch Houses</p> | Same<br>Cut |
| Same<br>Cut                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                    | Same<br>Cut |

It is an advertisement of our principal lines of implements as they were in 1912. The plow line was the



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foundation of our business. Our company has been in business perhaps 55 years.

The Implement Blue Book for 1912, at page 343, is a correct statement of the officers of the Moline Plow Co. and the implements manufactured by it at that time, except, perhaps, there should be added more implements than what shows there. This statement contains the principal lines.

"Moline Plow Co.: President, G. A. Stephens; Vice-President, F. G. Allen; Secretary, C. R. Stephens; Treasurer, C. A. Banister.—Plows, Harrows, Cultivators, Potato Diggers, Grain Drills, Seeders, Planters, Stalk Cutters, Farm Wagons and Vehicles."

My impression is that in 1902 the I. H. Co. were not competitors on any of those lines I named; would not say for sure. To go over the articles named in respect to which we are in competition with the I. H. Co. and to correctly state if the I. H. Co. was making any of those articles in 1902, it would be necessary to know what year the International took over the Osborne Works. Do not know when they first acquired them. My remembrance is that the Osborne Company was not one of the five companies that went into the International on its organization. We have been competitors of the I. H. Co. on hay loaders and side-delivery rakes prior to the present year. The sale of the latter is small in the entire country compared to that of binders, mowers and hay rakes, but there is a very growing demand for that class of tools. I have no idea how many corn planters the I. H. Co. made in 1911. I have no means of knowing what they manufactured. Their corn planter competition has been recent, within the last year or two, and on grain drills within the last three or four years. In 1911 we sold 9,447 grain drills. We have had very little competition from the International on grain drills; perhaps we may hear from the competition in one locality pretty often, and get the idea that they sell more than they do. We have not had a great deal of competition on grain drills with the I. H. Co.

Of the different kinds of steel plows we sold 64,933 in 1912. We sell very few of those in the New England or southern states. The major part of our sales is in the central states. Deere & Co. are the largest manufacturers of plows in competition with us. There is the Par-

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lin & Orendorff Co., the Rock Island Plow Co. and many  
348 others. Those are the larger ones, and the Emerson  
Manufacturing Co.

Would say the I. H. Co. is our largest competitor in  
wagons. Think I can safely say we are close to being the  
next. After us comes the Studebaker, the Kentucky Wagon  
Company and the Bain Wagon Company.

I should say the I. H. Co., Deere & Company, and the  
Great Western Manufacturing Co. make and sell the most  
spreaders in competition with us. We come in towards  
the bottom of the list. Think I have named the largest  
manufacturers of spreaders, and think I. H. Co. makes  
more than any other company.

Would say the I. H. Co. makes largest number of disc  
harrow in the United States. A disc harrow is made  
from round discs which cut and pulverize the ground,  
and a lever harrow has flat or round bars with teeth, and  
makes more of what is termed a drag. The disc and the  
lever harrow are used pretty generally all over the coun-  
try, and it would be proper to say that they are used at all  
times of the year. The disc harrow is used following the  
plowing of the sod, to cut it up, in spring and fall plowing  
349 when the ground is hard or cloddy. The lever harrow  
is generally used directly after plowing, to make a good  
seed bed.

We bought the Mandt Wagon Company in 1902, the  
Henney Buggy Company in 1903, the Freeport Carriage  
Company in 1908, the Monitor Drill Company in 1908, and  
the Adriance-Platt Company in 1913. We also bought the  
McDonald Scale Company in 1912.

There has always been less competition in harvester  
lines than in plow lines, since I can remember. I know of  
no line of agricultural implements in which there has been  
such a large per cent. of control owned by one company  
as has been owned by the I. H. Co. since 1902. Deere &  
Company entered upon the manufacture and sale of bind-  
ers and mowers in 1910 or 1911, and it was not manufac-  
turing and selling those machines prior to that date.

I think Deere & Co. sold binders in 1911. Don't know  
how many. I do not know of any other company. Since  
the I. H. Co. was organized it has not been in competition  
350 with us in the manufacture of plows, and it has no contract  
for the sale of our plows in any part of this country or  
Canada.

*Re-direct Examination.*

Less than one-half the business of the Moline Plow Co. is in plows, including in plows, cultivators and corn planters, and such as that. The increase in sales of Adriance-Platt binders that we have put out has been entirely in the middle west, Iowa, Illinois, Wisconsin, North Dakota, Minnesota, South Dakota, Nebraska, Kansas and Missouri.

The I. H. Co. went into the wagon business not merely by starting a factory and making wagons, but by buying out factories that had an established business.

For a great many years it was difficult to get the farmers in the country west of the Allegheny mountains to realize the necessity of fertilizing the ground. It was discouraging to attempt to get them to do that. The I. H. Co. has done a great deal of pioneer work through agricultural colleges and advertising and in various ways, to educate farmers of the west into a realization of the necessity of the use of spreaders. No question but they have done a great deal of good in that respect, and in creating demand for spreaders.

*Re-cross Examination.*

My company has not done as much as many others in encouraging the use of manure spreaders among farmers. No others have done it on so large a scale as the I. H. Co. Should not say any other company sells spreaders on such a large scale as they do. They have all done something in the way of promoting sales.

Sometimes we give plows of the same sort, different trade names and assign them to different dealers in one town in the way that binders manufactured by the I. H. Co. are distributed among different dealers in a town. Have some trade where we divide lines in a town. It is not our regular practice because we are able to sell one man in a town as much as we care to.

I was in a town a few days ago where 6 dealers sold the same plow. I do not know any manufacturer that calls the same thing several names and then gives one implement with one name to each dealer in a town.

We do not necessarily have contracts with our 25,000 or 30,000 dealers. Have lots of accounts where we have no contract, that are mail orders. We do not do any mail order business with the farmers. A great many of the 25,000 dealers on our list order simply in that way.

484 J. B. BARTHOLOMEW:

*Business of Avery Co.*

Have been President of the Avery Co. about eight years; reside at Peoria, Illinois. Have been connected with Company since 1879. Its chief products are threshing machines, gas and oil tractors, steam tractors, and small implements such as planters and cultivators. Those products are sold principally through the corn and wheat growing states of the United States, and some in Canada and the Argentine Republic. In the U. S. the small goods are sold outright to the dealers. Threshers and tractors are commissioned or sold through the dealers as commission agents.

*I. H. Co. Methods as Fair As Any Competitors.*

485 In many instances our goods are handled by local dealers in the United States who handle the goods made by the I. H. Co. As to whether we find that fact a detriment or obstacle to placing our product with them, will say not on account of their handling the harvesters. That is not an element in the problem at all. We compete with the I. H. Co. in threshers and tractors to the same extent that the I. H. Co. competes with us in cultivators and corn planters. We consider the I. H. Co.'s methods as fair at least as any of the rest of our competitors. We have to meet them, of course, in competition, and all of our competitors, as a rule.

*Cross-Examination.*

486 We have competitors who make a larger per cent. of our principal lines than the I. H. Co. Rumely, Emerson-Brantingham, Hart-Parr, and Minneapolis Steel & Machinery Co. are our leading competitors in threshing machines and tractors. The I. H. Co. has sold threshing machinery in competition with us two or three years at least. Ours is not a very large traction engine. Only recently have we been making the larger machines. Have been in competition with the I. H. Co. on that line two or three  
487 years. We make small engines; not any stationary engines at all. Ours are all tractors; that is, 12-horse draw bar and 25 break horsepower. The next size is 20-horse draw bar and 25 break horsepower. The large one is 40-

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horse draw bar and 80-horse break bar. We are not in competition with I. H. Co. on the small engines made for farm use. We compete in large measure with I. H. Co. in gas and oil tractors, steam tractors and threshers.

In Implement Blue Book for 1912 at page 344 is an accurate statement of the lines and implements manufactured and sold by my company. "Tanks, Wagons" there might be interpreted as wagons. We are not in the farm wagon business.

— The advertisement is as follows:

Avery Co. Established 1887. Incorporated 1882. Capital \$2,500,000. President, J. B. Bartholomew; Vice-President, H. C. Roberts; Secretary, G. L. Avery; Treasurer, E. A. Cole.—Band Cutters and Self Feeders, Check Rowers, Cultivators, Cultivator Attachments, Portable and Traction Engines, Corn Planters, Straw Stackers, Stalk Cutters, Tanks, Wagons, Wagon Gears, Threshers, Traction Steam Shovels, Steam Plows.

1 FRED H. BATEMAN:

*I. H. Co. Competition with Bateman Mfg. Co. Fair.*

I reside at Grenloch, New Jersey; have been engaged in manufacture of agricultural implements 20 years as Bateman Manufacturing Company; am vice-president and general manager. I have been familiar with the business of that company 20 years. We make and sell sulky rakes and cultivators in competition with like implements of the I. H. Co. We have made cultivators since 1865, and sulky rakes four or five years. We sell these implements to local dealers who handle like goods or other goods of the I. H. Co. We find it no obstacle or objection that the local dealers to whom we sell also sell I. H. Co.'s goods. We have found the I. H. Co. in these lines to be fair, businesslike and honorable.

2 Since I have been in business I have been generally acquainted with local dealers east of the Mississippi, where our goods compete with the I. H. Co. In my judgment and from my knowledge and experience it would not be possible or beneficial to any company, and particularly to the I. H. Co. to attempt to coerce the purchases of goods on the part of local dealers in that territory.

The fact that in 1912 our company produced

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- less rakes than in 1911 was due to our inability to fill orders in time for the distribution of the goods, and was  
 3 to no extent due to the competition of the I. H. Co. Our cultivator business is fully as good now as it was ten years ago.

*Cross-Examination.*

I think we sold about 1,200 rakes in 1912. The wheels of our rake are of wood. I understand I. H. Co. rakes are sold in New England. Our trade is not confined to the New England States. Our greater trade is in central New York and northern New York. We do not sell this tool in the Middle West.

- If the figures produced by Mr. Snyder show sales for the company in 1912 of 989 rakes, our sales fell off last year because of our inability to fill orders. We had orders for full quantities but they were not distributed or put in territory in time for sale. We  
 4 lost considerable business, but approximately our sales would be 1,200 rakes. We have not manufactured rakes longer than five years. We manufacture nothing that competes with the I. H. Co. besides sulky rakes and cultivators.

The statement on p. 384 in the Implement Blue Book for 1912, correctly states implements manufactured.

Bateman Mfg. Co. Established 1836. President, Frank Bateman; Vice-President, E. S. Bateman; Secretary and Treasurer, Fred H. Bateman.—Wheel Hoes, Garden Wheel Plows, Garden Disc Cultivators, Two-Row Seed Drills, Garden Hand Seed Drills, Hand Fertilizer Drills, One-Horse Fertilizer Distributors, Horse-Hoes, Riding and Walking Cultivators, Beet Cultivators, Potato Planters, Potato Ridgers or Hoes, Potato Diggers, Double Acting Hand Spray Pumps, Horizontal Barrel Sprayers, Horizontal Barrel Wagon Sprayers, Vertical Barrel Sprayers, Vertical Barrel Wagon Sprayers, Vertical Barrel Sprayers and Trucks, Bucket Pump Sprayers, Four-Row, Six-Row and Seven-Row Traction Sprayers with or without Orchard Attachments, Grain Sprayers, Pickle Sprayers, Hay Rakes, Truckers' Variety Row-Markers and Makers and Planters, Truckers' Variety Row-Markers, Asparagus Ridgers, Side Dressing Machines, Barrel Trucks, Carts, Leaf Racks, Sprinklers, Row Indexes, Grubbing Hoes, Asparagus Knives, Corn Knives,

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Transplanting Hoes and Trowels, Dandelion Pullers, Vine Cutters, Garden Dibbles, Hand Garden Plows, Harness Brackets.

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3 W. C. BERGMAN:

*Field in Corn Shredders Open to Competition—I. H. Co. Dealers Handle Competing Lines.*

In addition to being in the retail implement business have been engaged in the manufacture of corn shredders and gasoline engines seven years. The company is named  
 1 The Maytag Company. Am a stockholder and director; was president until two years ago. Am in active touch with the business and have been, although not individually responsible for it.

We are selling corn shredders in competition with the I. H. Co. throughout ten states. Have found that throughout this territory the field was certainly open to competition. Our business has been growing and satisfactory. We have sold these corn shredders to the retail implement dealers throughout those states, including dealers who handle the I. H. Co. harvesting machinery in the main. That fact was no impediment to selling them our corn shredders.

Have manufactured gasoline engines three years. The business has grown continuously. It is in competition with the I. H. Co. The field is open to competition. We cover ten states in the sale of this gasoline engine. Am in touch with dealers throughout this country in a general way. Do more or less canvassing myself. Have been out over the territory and know the dealers and their methods of doing business.

If the I. H. Co. should attempt to coerce these dealers and should impose upon them the condition that they could not handle I. H. Co. harvesting machinery unless they handled the long line of the I. H. Co. goods, it would be very disastrous to the business interests of the I. H. Co. Dealers would refuse to do business with them.

*Cross-Examination.*

We sold about 300 shredders and 600 engines last year and about 200 engines in 1911.

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126 H. M. BLAKE:

*Lines Handled by Parlin & Orendorff Co.*

I reside at Canton, Illinois; I look after domestic sales of Parlin & Orendorff Manufacturing Co. Have been with  
127 that company about ten years. They manufacture plows, cultivators, corn planters, cotton planters, disc harrows, drag harrows and engines; we do not make spring-tooth harrows. The Parlin & Orendorff Co. also jobs other farm implements than those it manufactures, that is, grain drills, wagons, vehicles, potato machinery, hay tools, hay presses, gasoline engines and some branch houses handle manure spreaders. They also job corn shellers and grain elevators. The largest part of our domestic business is in the western half of the United States. The eastern line would be about Ohio. We market these goods through the dealers by direct sale to them. This has been the custom during the past ten years.

*Business Shows Satisfactory Growth.*

My opinion is our business has increased right along, with possible exception of 1907 or 1908. There has been a satisfactory growth as a whole during that period.

It is difficult to answer what rank the Parlin & Orendorff Co. has in the territory where we operate in this  
128 long line of agricultural tools and implements. I do not know what the others do. In my opinion we would be along third or fourth. In round figures the resources or total investment by Parlin & Orendorff in this business is \$10,000,000.

I do not have the figures, but I imagine the annual business of the P. & O. Co., in the United States would run between \$8,000,000 and \$10,000,000.

Our company maintains branch houses in St. Louis, Kansas City, Omaha, Minneapolis, Portland and Dallas. We have branches operated from these, that is sub-branches. We have them at Oklahoma City, Denver, Sioux Falls, Spokane and Pasco, and we have transfer points where we carry transfer goods. I cannot state how many of these, probably ten or twelve through this general territory west of Ohio.



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*Cross-Examination.*

*Extent of P. & O. Business.*

Our principal line of implements is what might come under the heading of plows, that is, planters, disc harrows and listers; a general tillage line. If I remember, 129 the business was established in 1842. It has been selling plows ever since. I cannot tell what proportion, in dollars and cents, of our business is in plows. I am not general manager of the company, but have charge of the branch houses, their management and sales in the domestic trade.

I am located at Canton, the home office of the company. I am looking after the management and employing managers. I have charge of the sales of the P. & O. Co., in all this territory, where the five or six jobbing centers named are located. I am sales manager of the entire 130 line of the P. & O. Co. in the United States.

Our most important line after plows, I would say is comprised of cultivators, planters, disc harrows, drag harrows and listers and probably other items. I do not know how many cultivators or listers we sold in 1912. I do not know whether the I. H. Co. makes listers. If they do, they are a very small factor in that line of business.

I do not know how many plows we sold to the I. H. Co. in 1912. We have been selling them plows for about four years. They sell our plows in Canada and are selling them there this year. I do not know whether the I. H. Co. makes a line of cotton tools or not. If they have entered upon that line it has been within the last year or two, and they have not yet become an important factor in that line.

131 There are companies other than the I. H. Co. which give us more competition on our principal lines,—the plow companies—John Deere Co. and the Moline Plow Co., the two largest competitors. The Rock Island Plow Co. and the Emerson-Brantingham Co. belong in the same class.

We do not make any harvesting machinery. Our Dallas house jobs the Johnston line in Texas. Other than in Texas there is no state where our company jobs harvesting machinery. The Dallas house, I might say, jobs a little in Louisiana and a part of New Mexico and old Mexico.

So far as I know, the Dallas house is the only one which sells twine; I do not think any of the rest of them handle it.

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We job potato machinery and in certain territories, like Minneapolis, it is one of our large items. I do not know whether I. H. Co. jobs or sells such machinery. If they do, they are such a small factor in the business that it has never come to my attention.

*Re-direct Examination.*

132 Our company has been handling its long line in the United States twenty or twenty-five years.

Counsel for the Government requested the witness to prepare and submit a statement showing how much of the business of the P. & O. Co. for the last three or four years had been with the I. H. Co., and what proportion of total sales in the United States was made up of plow sales exclusively.

The statement was produced (Vol. XIV, p. 173) and showed that the annual business of the P. & O. Co. with the I. H. Co. in the last four years had been about \$500,000 a year, or about \$2,000,000 for the whole period, such business relating to goods sold in Canada. It also showed that the business of the P. & O. Co. in plows was about 50 or 60 per cent. of its entire business.

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729 E. G. BLANTON:

*I. H. Co. Competition Normal and Avery Business Prosperous.*

Have been manager of B. F. Avery & Sons Plow Co. for about three-fourths of Oklahoma about seven years. We job tillage implements of our own manufacture and occasionally outside goods, farm wagons, buggies, mowers, rakes, drills. During the period mentioned, I have sold in competition with the I. H. Co., drag, lever and disc harrows, cultivators, stalk cutters, mowers, rakes, drills, farm wagons, farm trucks and planters, and have found the competition of the I. H. Co. normal, healthy and businesslike. Our business has been prosperous and successful.

I know a great many dealers in that territory, and am familiar, in a general way, with the manner in which the sale of agricultural implements is carried on. In great many instances sales I make are to dealers who handle the harvesting machinery of the I. H. Co. I think the field in the period covered, has been open to

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competition to every one who will go after it and get it on the merits of their goods.

731 If the I. H. Co. adopted a policy of attempting to coerce the dealers into purchasing its long line of goods, or coerce them into refusing to handle goods of competitors, by making that a condition to allowing the dealers to handle the I. H. Co. harvesting machinery, I do not think it would be a successful policy for anyone. My judgment would be that they would lose business by a policy of that kind.

I am speaking on broad general principles; am not intimately acquainted with policy of I. H. Co. or any of my competitors. In my opinion a policy of coercion would not coerce in my territory.

*Cross-Examination.*

I know the I. H. Co. does a large business in Oklahoma in harvesting machines. I know about their business methods only from what people and dealers have told me.

732 We have not been handling mowers very long; took on Thomas Manufacturing Co. mowers, rakes and drills about a year ago. I expect we have sold somewhere between 100 and 200 mowers. We have sold less sulky rakes than mowers. There are a great many mowers sold in the territory in the course of a year. Our principal lines are  
733 plows, planters, cultivators and harrows. We have no competition with the I. H. Co. in plows, planters or stalk cutters. The only lines that we come in competition with them on are harrows and cultivators. We sell 400 or 500 wagons a year. Last year was a bad crop year and we kept pretty close to the goods of our own manufacture; that is, plows, planters and tillage implements generally. We have been letting our wagon business drop off a little in the last few years; found competition pretty vigorous. I do not know if the I. H. Co. business in wagons has been growing all the time, or whether the business of the little  
734 fellows making wagons is becoming less and less. Our wagon business, the year before last, was the biggest that we have ever had there.

Last year the credit risk was very great indeed. I have been in Okalahoma seven or eight years, and the wagons sold each year would average from 300 to 500. We certainly are in competition with the International on mowers, rakes and planters. When I testified to the

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- character of the competition of the International, I was basing my opinion upon the competition that I had with them on these lines. The International sells no planters that I know of but I have heard of their drills. I have sold about 100 rakes and 100 mowers, and from 400 to 500 stalk cutters. I have heard of the I. H. Co. selling stalk cutters down there, but I do not think they sell as many.
- I suppose we sold last year 700 or 800 harrows, 1,000 to 1,500 cultivators, and 200 to 300 farm trucks. I said that we let our wagon business drop off a little in 1912, owing to credit risks. In 1911 there was a total crop failure, so far as feed was concerned in Oklahoma.
- The result was that none of the farmers could pay up and we carried over the dealers for large amounts, and we did not push wagons or any outside business that we had to go out and pay cash for. That is the reason we did not push wagons as we ordinarily would. I don't think the I. H. Co. sells many more wagons down there than anybody else. In Eastern Oklahoma I would say, from casual observation, that the Springfield Wagon Co. sells more wagons than anybody else, and after that there is probably more Fort Smith and Studebakers sold. In the western part of the state, I believe the I. H. Co. is stronger with their wagons.
- I have never been in employ of the I. H. Co. My company has no business relations with the I. H. Co. that I know of.

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84 HARRY W. BOLENS:

- I live at Port Washington, Wisconsin. Am president of the Gilson Manufacturing Company, manufacturers of the Gilson engines. That company has been making gasoline engines about ten years. There is also a Gilson Manufacturing Co., Limited, of Canada, with the same stockholders, but making no sales in the United States.

*Gas Engine Competition of I. H. Co. Fair and Businesslike.*

The United States corporation markets its gas engines all over the world and in practically every state. About nine-tenths of the output of the Port Washington plant is sold in the U. S.

We manufacture farm engines of from 1 to 27 H. P. Have not manufactured all of these sizes for ten years.

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As we had one size ready, we put it on the market and then started on another size until we had the line complete. In 1905 we were making gas engines of from 1 to 27 H. P. That year our U. S. sales were from \$75,000 to \$100,000; in 1912 about \$250,000.

36 Our gas engines are marketed in the U. S. through jobbers and dealers. We sell to the jobber mostly at distant points, and direct to the dealers within two or three hundred miles of Port Washington. The jobbers, almost invariably resell to the implement dealers.

We sell our gas engines to dealers who handle International lines. That fact has not interfered in any way with the sale of our gas engines.

I have found the competition of the I. H. Co. fair, normal, businesslike and easy.

*Cross-Examination.*

37 I cannot state our output of engines in number. The volume of business is all I keep posted on. In our busiest season we make from 25 to 30 engines a day. Around the first of July the plant is shut down for a week or ten days, and around Christmas for a week or more. We have run as high as thirty a day but not for very long. It does not pay to run less than six or eight. Cannot say approximately the number of engines we sold in the U. S. in 1912. It is from 50 to 100 per cent. more in H. P. than five years ago on account of reduced prices. Our most popular size is  $1\frac{3}{4}$  and 3 H. P. They are sold almost invariably for use on farms.

My company was incorporated in 1893 and succeeded a company which had done a small business for many years. Originally they were a little country plow shop. In 1891 we changed the line. Did not begin to make engines until ten or eleven years afterwards.

*Re-direct Examination.*

38 Our engine sales have increased every year we have been in business. The increase from 1905 to 1912 has been more rapid than before that. The number of engines has increased more than the dollars and cents because the prices are much lower.

352 W. B. BRINTON :

*Grand DeTour Plow Co. Competes with I. H. Co.*

Live at Dixon, Illinois, am president of Grand DeTour Plow Co., the oldest Plow Co. in existence by ten years.  
 353 Its business is the manufacture and sale of farm implements. We manufacture and sell disc harrows and spike-tooth harrows in competition with the I. H. Co. Have not discovered the competition to be very strong. We make a line of cultivators and engine gang plows too. We cover a greater territory with them than with the regular line. In the regular line we cover the Northwest territory tributary to Minneapolis; in the South country we cover Kansas City territory; in the West the Omaha territory, Illinois and Iowa. We have never sold any goods in Eastern territory.

*Competition Fair and Clean.*

Have found the competition of the I. H. Co. fair, clean and businesslike. Our business has prospered; we had the largest volume last year in the history of the company.

I went into a retail store as clerk when I was 18. Remained there until I was 22. Went on road and remained  
 354 with an implement concern out of Moline 16 or 17 years. Went into the plow business on my own account. Have been struggling along at it ever since. I am pretty well acquainted with the retail implement dealers in central west country. Traveled in Nebraska when we went by stage and have kept in touch with the business ever since. We sell to retail dealers altogether, except the engine plows, which we sell to engine manufacturers. We sell these implements to dealers who handle the I. H. Co. harvesting machinery. It would be very hard to find a good dealer who was not. As to whether that fact has been an obstacle to selling these dealers the competing machines of our manufacture, would say since I have been manufacturing plows have not traveled, but do not remember when I had a letter from any particular people making complaint about I. H. Co. I know these dealers  
 355 pretty well. If the I. H. Co. should adopt the policy of saying to them that they could not handle harvesting machinery at all unless they took on the full line of the I. H. Co and handled them exclusively, outside of court

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would say that if he was a decent, respectable dealer he would tell them to go to hell with their goods. In court would use more diplomatic language to the same effect.

*Cross-Examination.*

I know of no other implement company of which it could be said that it is hard to find a good agent who does not handle its goods; I don't know anybody who covers a certain phase of the trade as uniquely as they do. As to whether I mean, anyone dominates any one phase of the trade so completely as does the I. H. Co. the harvesting machinery trade, I might answer that by making a little comparison, being one of the smaller manufacturers of implements: I remember a letter Mr. Deere wrote me when I  
356 bought the controlling interest in the Grand De-Tour Plow Co. His father had been interested in the company and I had been associated with him very intimately for years. Mr. Deere congratulated me upon the purchase and said that he had no doubt as to the future respectability of the company. I found during my career that a man could go around with a small capacity and make competition pretty interesting for the other fellows and not sell much either. In other words, could make a market and at the same time not sell many goods. The I. H. Co. have some competition with other harvesting companies. There are others that are selling goods that I know very well. I do not know any class of agricultural implements in which one company controls as large a per cent. of the total volume of sales of that class of agricultural implements as is controlled by the I. H. Co., in harvesting lines. The Grand DeTour Plow Co. was established in March, 1837. It was named a plow company because its principal line of agricultural implements is plows.

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510 WILLIAM N. BROWN:

*Business of Collins Plow Co.*

Have been since 1889 assistant manager of Collins Plow Co., Quincy, Ill., manufacturers of plow goods and hay baling presses, and in charge of sales; not of all lines,

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but of a greater percentage of them. Under the plow line I include plows, harrows, cultivators, disc harrows and spike-tooth harrows.

*I. H. Co. Same as Other Competitors.*

511 The Company was incorporated in 1881. The manufacture of hay presses was commenced in 1889 when the Company was reorganized. Our goods are sold throughout the United States, South America, Mexico, Central America, some European countries, Australia, Africa and some islands of the sea. Our business is carried on in these lines, excluding plows, in competition with similar goods of the I. H. Co. I am acquainted in a general way with that competition. We feel toward the I. H. Co. competition much the same as we do toward any other company that we have to compete with. We know of no reason why we should think it especially unfair.

An estimate of our business in two periods, one from 1893 to 1901, inclusive, and the other from 1902 to 1912 inclusive, shows the latter period has a considerable greater volume per year. My approximate estimate of the increase for the second period per year as compared to the average for the first period per year, shows an increase approximately of about 127 per cent.

*Cross-Examination.*

512 Our baling machine line and the plow line are very evenly divided. Those are our two principal lines. The capitalization of our company is nearly \$300,000 including capital stock and surplus. I would prefer not to answer the question as to the gross amount of foreign and domestic business last year. I have not in mind exact amount for 1912. It would be somewhere between \$300,000 and \$400,000. I do not know how much was done in this country—more than half. I do not know the exact amount of business we did in the United States last year. Feel I can safely say we did more than \$200,000. We sold last year approximately 600 or 700 baling presses. Some of them are expensive machines. I do not know what company manufactures and sells the largest number of hay presses in the United States; the I. H. Co. would, perhaps.

The statement in Implement Blue Book, 1912, page 345,



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513 is an accurate statement of the lines manufactured by my company, as follows:

Collins Plow Co. President, Wm. Govert; Secretary and Treasurer, J. W. Brown.—Baling Presses, Plows, Harrows, Cultivators.

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102 V. E. BUSH:

Since August, 1912, have been eastern and southern sales manager for the Rumely Products Company. Before that was assistant northwest sales manager from December, 1911. Previous to that was sales manager of the Advance Thresher Company at Battle Creek, Michigan, which manufactured steam engines, traction engines, threshers, corn huskers, shredders, and attachments.

*I. H. Co. Competition Fair, Businesslike and Normal.*

While I was sales manager for Advance Thresher Company, that company was in competition with the I. H. Co. in the sale of huskers and shredders. We sold four-fifths of our shredders in Michigan, Ohio, Indiana, Illinois, Iowa and Wisconsin. We consigned them to the retail dealers on a commission contract basis, and to dealers who handled I. H. Co. harvesting machinery. The fact that such dealers handled International harvesting machinery did not operate in any way to the detriment of our sales, to my knowledge. We found the competition of the I. H. Co., fair, businesslike, and normal. The business of the Advance Thresher Co. was about normal for the last two or three years I was with it.

The ensilage cutter has cut down the sale of shredders, and will continue to do so more and more. Ensilage cutters have been on the market in my territory for the last four or five years, and were when I was with the Advance Company. In spite of the entrance into the field of ensilage cutters, the shredder sales of the Advance Thresher Co. remained about normal for the last three years. They increased up until that time.

While I was with the Advance Thresher Company, we did not compete with the I. H. Co., in anything except huskers and shredders. Since I have been with the Rumely Company we have competed with the I. H. Co., on sta-

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tionary gas engines, cream separators, ensilage cutters, hay balers, and corn shellers. We have found the competition of the I. H. Co. fair and normal and business-like.

*Cross-Examination.*

The Rumely Products Company has had some financial trouble in the last three or four months, but not of a serious nature, however. The cause of the trouble was out of my province; I do not know. It was over expansion as much as anything, but I am not in the financial end of it.

The principal lines of the Rumely Company are internal combustion tractors, steam engines, threshers, clover hullers, hay balers, and a general line of farming implements. It does not compete with the I. H. Co. in steam engines. We have considerable competition with the I. H. Co. on internal combustion tractors. Have had some competition with it on threshers, this year; prior to this year only in a very small way. The I. H. Co. is selling the Buffalo Pitts threshers today. It used to sell the Belle City Threshing Company's threshers, but I am not positive that it does this year. We have no competition with I. H. Co. on clover hullers. The hay baler is the same as the hay press. We just took hay presses over in the fall of 1912 and are competing with the I. H. Co. this year.

We compete with the I. H. Co. on our principal lines since the beginning of last year, the origin of the Rumely Products Company. Whatever be the cause, within a year and a half after we began to have competition with the International we got into financial difficulties, and the former manager of the I. H. Co. has been elected president of our company.

A shredder and husker is a machine for husking the corn and shredding the fodder. It is a large, expensive implement. The sale is small, in number, compared with the sale of binders and mowers and rakes. We do not make any binders, mowers or sulky hay rakes.

*Re-direct Examination.*

Cream separators have been one of our principal lines this year. We took them over in the fall of 1912.

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191 C. A. CADWELL:

*Dakota Moline Plow Co.*

I live in Sioux Falls. Have been manager of the Dakota Moline Plow Co. 7½ years; it is a subsidiary company  
 192 of the Moline Plow Co. of Moline, Illinois. Under my management I have all of South Dakota east of the Black Hills country, about 7 counties in Northwestern Iowa and 8 counties in Southwestern Minnesota. During the past seven years my company has been jobbing farm implements manufactured by the Moline Plow Co. and some goods bought outside. In that territory we have, for the last 7 years, been in active competition with I. H. Co. on grain drills, wagons, spreaders, disc harrows, smoothing harrows, hay rakes and stackers. In addition this year we have binders, mowers, corn binders and hay rakes. The competition of the I. H. Co. that I have met was normal, healthy, businesslike, and so far as I am able to say, very fair, indeed. During those years the field has been open for competition with the I. H. Co. in the implements named. Our  
 93 business has been very satisfactory indeed. There has been a steady growth except in territories handicapped on account of crop failures. That was not due to competitive conditions. So far as competitive conditions are concerned our business has shown a healthy growth those 7 years.

Have sold our goods almost altogether to retail implement dealers handling I. H. Co.'s harvesting machinery. Can't say that I have found fact that dealers handle I. H. Co. harvesting machinery an impediment to the sale to them of the goods I handle. I know the dealers in our territory pretty generally, am acquainted with their character and business habits. Occasionally I go out on the road, not often. In the time I have been here have met personally a large percentage of the dealers in our territory. It is my business to keep in touch with them, their character and standing.

*Coercion of Dealers Would Injure Company Attempting It.*

Q. What, in your judgment, would be the effect on the business of the I. H. Co. in your territory, if that company inaugurated a policy of coercion and stated to the

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dealers that they could not handle their harvesting machinery unless they handled it exclusively and bought their line exclusively?

494 A. My opinion is that it would work to their detriment. I think with the dealers with whom I am acquainted, coercion would not coerce. Have not been in harvesting machine business for a good many years prior to 1913, I formerly was. Am familiar with the agricultural implement business and conditions under which it is done, including sale of harvesting machinery in a general way.

As manager of my company I have personal charge of its business in the territory and make a study of conditions under which business is done. As to whether it is a fact that in the last 7 years the field in the territory named was open for competition with the I. H. Co. in harvesting machines;—there have been a number of other concerns independent of the I. H. Co. which have been doing business to my knowledge and in my judgment the field is open for competition. This year my company has entered upon the manufacture and sale of binders, hay and sulky rakes, mowers and corn binders. We are selling them right along. I am quite sure that the field is open for us to do a growing and successful business in harvesting lines in the territory named.

495

*Cross-Examination.*

My experience in the harvesting business was 25 years ago as an expert for Deering Harvesting Machine Company, setting up machines in the field. Knew nothing about trade conditions then except as I saw the competition of Deerings in my territory with other manufacturers. From 1889 to 1892 was in the retail implement business at Neponset, Ill. That comprises my entire experience in the harvesting business.

*Competition With I. H. Co.*

496 The Dakota Moline Plow Co. sells principally plows, cultivators, corn planters, disc harrows, lever harrows, buggies, wagons, spreaders and grain drills in my territory. Plows are only a small part of our business. The principal things in my agency, are plows, wagons, buggies, grain drills and hay tools. By plows I mean the full line of goods along that line

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When I became manager of my company the I. H. Co. was selling wagons, spreaders, disc harrows and hay tools. They do not make plows to my knowledge. They have sold a good many grain drills of late years, particularly last year. Until 1911 and 1912 their grain drill output was very insignificant, and in 1911 and 1912 I guess they distributed and sold the output of the Richmond factory of the American Seeding Machine Company. That is the first time the I. H. Co. became prominent in grain drill business. Have had no competition with I. H. Co. as yet on principal lines of harvesting machinery, until this year, 1913. Have never been in the employ of the I. H. Co.

Previous to this year my company has never sold any sulky rakes here. Prior to this year we sold sweep rakes and stackers manufactured by the Jenkins Hay Rake & Stacker Company. Did not mean to include sulky rakes. I think in this territory during the years I have been here as many sweep rakes have been sold as sulky rakes, if not more.

The Acme Harvesting Machine Co. have done considerable business in this territory. Was not familiar with Acme until late years. Do not know when that Company began manufacturing goods.

Do not know much about harvesting business from personal experience, but from observation. Do not know when any of the harvesting machine companies began. My company manufactures and sells or jobs many different articles of equal importance. Included under plows are cultivators, corn planters, disc harrows and the like. Specified by classes, my company manufactures wagons, buggies, grain drills, spreaders, hay tools, grain binders, corn binders, mowers and sulky hay rakes and scales, potato diggers and stalk cutters. We sell few stalk cutters here. Cannot tell offhand how many binders I have sold so far. It would simply be a guess, have sold some. Have sold more than 10, perhaps 50, I think not less than 20. Have sold perhaps the same number of mowers. I think more than 20. Have sold 25 or 30 sulky rakes. Do not know how many corn binders I have sold, have sold some, perhaps 10, perhaps more.

Our company does no business with the I. H. Co. at this point. They do in California, Texas, Denver and I

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500 think Salt Lake City. The Moline Plow Co. jobs some of the International products, I believe.

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364 JAMES A. CARR:

Reside at Richmond, Indiana; president of American Seeding Machine Co., manufacturers of seeding machinery principally. Have three factories. My company has a contract with the I. H. Co. which is in evidence, whereby they job the output of one of our factories. That contract was made March 1st, 1912, I believe. Prior to  
365 making that contract with the I. H. Co. the output of that factory was largely marketed through jobbers, principally Deere & Co. The oldest contract we had with Deere Co. was 33 years. That was with one of their branches. Others range from 20 years up. Our grain drills were marketed through John Deere continuously. Probably four or five months before contract was consummated with the I. H. Co., Deere & Co. bought a drill factory, the Van Brunt Manufacturing Co., of Horicon, Wisconsin, and went into the business of manufacturing and selling their own seeding machines, which was inconsistent with jobbing ours, so we made a contract with the I. H. Co. for our seeder.

*Relations of Dealer to Manufacturer Changed.*

Have been in the implement business about 35 years. At first in a small position, during last 20 years I have been very familiar with it and conditions of the agricultural implement business throughout the country generally, and the method in which it is carried on. During that period there has been a change in the nature and functions of the agricultural implement dealer in his relation with the manufacturer. When I first knew  
366 the implement dealer back in the eighties, our contract was very lengthy and the dealer was to a large extent a personal representative of the individual manufacturer. I am speaking largely of the drill or seeder business, although I had general knowledge of the implement business, including tillage tools and harvesting lines. Formerly the dealer agreed to sell the particular line of machines contracted for, and no other lines of a similar or

XIII

competing nature, and in certain specified territory and no other. Retail prices were not generally established. He would make returns to the company at prices agreed upon in the trade. In many cases retail prices were established; do not know if that was the general custom. Later the same form of contract was continued but it was not adhered to so strictly by either the seller or buyer. Along in the nineties the exclusive sale of the machines, or agreeing to sell them in exclusive territory became to a very large extent inoperative. Still later the clauses were changed and eliminated entirely from the contracts, probably early in 1900. The position of the dealer changed from being personal representative of individual manufacturers to being an independent dealer, a merchant, to sell any goods he cared to sell, wherever he  
 677 pleased to sell them. That is his position to-day.

*Cross-Examination.*

I started with the Hoosier Drill Co. 35 years ago. American Seeding Co. was organized early in 1903, consolidating six companies,—Hoosier, the Kentucky, the Empire, the Superior and Bickford & Hoffman drills, not the Buckeye at that time. It got the other five originally.

Could not say that the American Seeding Machine Co. at time it organized was doing more than half of the seeding business in the country; about half. It is the largest manufacturer of drills in the United States to-day. I. H. Co. buys entire output of one of our plants. We have three now. Our Superior plant has an output  
 68 a trifle larger than the Richmond plant. The latter is the one that has contract with the I. H. Co. They are about the same.

Prior to our contract with the I. H. Co. we did not sell the output of our three plants to Deere & Co. We sold that of the Richmond plant only. We sell the drills and implements manufactured at our other two plants the same as have always sold them in the western territory, through jobbers; in the eastern territory through our own traveling force.

The Superior and Buckeye factories are both in Springfield. We sell the output of those factories in the same territory in which the output of our Richmond factory is sold. The I. H. Co. bought 22,000 wheat drills of us in 1912, that is, grain drills. I think about 5,000 two-

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horse corn planters were sold. The I. H. Co. bought one-horse corn drills of us. They bought none in 1912, their first operative season for corn tools was the spring of 1913. They bought corn drills in 1912. We distinguish them from corn planters, the corn planter is a two-row machine, and the corn drill is one-row. They bought  
369 between 9,000 and 10,000 corn drills and 5,000 corn planters. They bought a few broadcast seeders from us (a machine largely passing out of use), and a few broadcast fertilizer sowers (an implement which is coming into use); they bought probably 1,000 of those, and in 1912, a few cotton drills, a new machine that we just just brought out. I believe that is all.

In all states east of Illinois and the Mississippi river we deal directly with implement dealers, but not in the territory west of the Mississippi and east of the Rockies. Our goods are sold in that territory. The I. H. Co. sells the Richmond plant goods there, other jobbers sell Superior goods from the Springfield plant; P. & O. is one of the large jobbers that sell the Springfield goods.

Our contract with the I. H. Co. did not become operative until November 1, 1912, they sold some goods previous to that time. Have not done business for an entire season yet with the I. H. Co. In dollars and cents the amount of business we have done with the I. H. Co.  
370 in the last twelve months, I would estimate at from \$2,000,000 to \$2,250,000.

I am pretty positive that the I. H. Co. or any of its officials or directors have no stock in the American Seeding Co. I do not know of any that have, and feel very sure that they have not. The only relationship between the two companies is business relationship under which the I. H. Co. purchases from \$2,000,000 to \$2,500,000 worth of goods per season from my company.

## 334 L. D. COLLINS:

Am treasurer and assistant general manager of the Johnston Harvester Co.; reside in Batavia, N. Y. Have been connected with that company since October, 1884, with the exception of a portion of 1887 and 1888. From 1902 until September, 1910, I was secretary of the Johnston Harvester Co., and have been treasurer since 1910. Since 1911 have been assistant general manager. During



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last ten years have been acquainted with the business affairs and policy of that company.

*Johnston Domestic Sales Only Limited By Capital.*

35 The sales of the Johnston Company during the last ten years in the United States were primarily governed by our resources and facilities, measured and affected by our policy as to foreign trade. I am certain from my acquaintance with the business that our domestic sales would have been much larger during last ten years if our policy, our financial resources and our manufacturing capacity had been such that we could have endeavored to increase them. In the last two years, since the Massey-Harris Company became interested in our company, we have very largely increased our capacity. I have known who the exporting agents of the Johnston Harvester Company are and who have been their exporting agents during the last 10 years.

*Cross-Examination.*

Our foreign business in binders and mowers in the period since 1902 has grown about equally with domestic business. The proportion of export and domestic machines has remained about the same. Today they are practically equal, which would be an indication that our domestic business had caught up a little, but it is not admitted that our export business was twice as large as the domestic business ten years ago.

II

24 J. A. CRAIG:

*Janesville Machine Co. Finds Competition Fair.*

Reside at Janesville, Wis. Am general manager of Janesville Machine Co., which manufactures farm implements. The territory covered by its sales is mostly the Central West. It has scattered trade all over United States, and a little in Western Canada. Have been manager 15 years. They sell, as I recall, disc harrows, peg-tooth harrows, corn planters and cultivators in competition with the I. H. Co. We find that there is open competition with the I. H. Co. in that territory, and have no reason to complain of it Have found it businesslike.

We sell our implements mostly to retail dealers and

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some to jobbers—in some cases to dealers who handle  
 226 I. H. Co. harvesting lines. I know of no case where that  
 fact has been impediment to selling our implements to  
 them. We meet I. H. Co. in free competition selling to  
 those dealers.

*Policy of Coercion Would Lose Best Customers.*

Am acquainted with dealers pretty generally throughout the territory; have pretty fair knowledge of the men and their methods of business. If the I. H. Co. should attempt to enforce a policy to the effect that they could not handle its harvesting machinery unless they took its full long line and handled it exclusively, in my opinion they would lose the majority of their best customers.

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*Cross-Examination.*

At present we do not make any harvesting machinery. At one time we manufactured the Crown mower; subsequently we sold it to the Thomas Manufacturing Co.—in 1905 or 1906. When the I. H. Co. was organized, that was the only harvesting implement we made. Our principal line is plows; that is, it is the  
 228 large part of our business. The I. H. Co. does not make plows that I know of. We have a very satisfactory trade on cultivators, disc harrows, peg-tooth harrows and corn planters, in which they are in competition with us. I understand I. H. Co. is just getting into the corn planter trade. They manufacture a machine of their own. I saw their first planters 2 or 3 years ago.

If Petitioner's Exhibit 262 shows that I. H. Co. manufactured in 1911 for U. S. 2,003 planters, I would not consider that a very large sale of planters as such sales go in U. S. We sold somewhere between 5,000 and 6,000 planters in 1911. I have no knowledge of total amount of corn planters sold in U. S. We have a number of competitors in the corn planter business who do more business in that line than I. H. Co.; think I. H. Co. has expanded in that line since 1911.

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John Deere Plow Co., Moline Plow Co., Rock Island Plow Co., Ohio Cultivator Co., Pattee Plow Co. and many others I cannot name at this time are the largest manufacturers of cultivators in the U. S. I do not think the I. H. Co. makes as many as any of those. Cannot give de-

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tailed information, but would say that in 1911 we sold better than 20,000 cultivators.

I judge that the larger part of harvesting implement business in U. S. is done by I. H. Co. Do not think any one company does 50 per cent. of harrow business in U. S. I. H. Co. was a competitor of ours in harrow line in 1903 and 1904. In 1903 they sold  
230 Osborne disc and peg-tooth harrows; I may have dates mixed. If you consider the Osborne division of the I. H. Co. we are competing with the I. H. Co. on its new lines, and not its old or harvesting lines. I don't remember details of organization of I. H. Co. I know Osborne people manufactured disc and peg-tooth harrows.

Have no business relations with the I. H. Co. The gross amount of our business for 1912 was over a million dollars. Cannot give figures as to how much of that was plows. I do not wish to state as to whether over half of it was. I would consider that going into the secrets of our business.

The advertisement in the Blue Book for 1912 on page 421 is a correct statement of the business of my company  
231 and its officers as follows:

"The Janesville Machine Co. Established 1859. Incorporated 1882. Capital \$500,000. President, T. O. Howe; Vice-President, James Harris; Secretary, A. P. Lovejoy; Treasurer, J. G. Rexford; J. A. Craig, General Manager.—Sulky, Gang and Walking Plows, Disc and Shovel Cultivators, Seeders, Weeders, Lever, Disc and Spading Harrows, Corn Planters, Listers, Sowers, Drill and Broadcast Seeding Attachments."

The advertisement of my company on page 177 is, I should say, a correct and a fair description of the class of goods we manufacture.

*Re-direct Examination.*

232 We used to make Crown mower; sold that to the Thomas Co.; they have continued its manufacture.

V

624 F. R. DAVIS:

I reside at Council Bluffs; my company is Pioneer Implement Co. As president I have been in active charge of the business since 1902. We job agricultural implements

V

in Nebraska, Wisconsin, Iowa, Southern part of South Dakota, Northwestern Missouri and Northern Kansas principally.

*Pioneer Imp. Co.'s Business Growing; Competition Healthy.*

In our jobbing business we sell these implements to  
625 retail dealers in the various towns and during the period  
I have named we sold implements throughout the territory  
mentioned in competition with the I. H. Co. We  
have sold power corn shellers, gasoline engines, truck  
wagons, wagons, tractors, feed grinders, hay loaders,  
grain drills, stackers, sweeps, side delivery rakes and  
disc harrows. I am somewhat familiar with the imple-  
ment business in this territory and have been during  
those years and I think the competition with the I. H.  
Co. was normal and healthy. On the whole our business  
has been growing and successful.

*Cross-Examination.*

*Extent of Pioneer Imp. Co.'s Business.*

We do a very little manufacturing but are principally  
jobbers. We do not job binders, mowers or  
rakes. I think the sale of those implements is larger in  
number than the sale of hay loaders, hay stackers, or  
626 sweeps. We jobbed in a very limited territory in har-  
vesting implements in the eighties. We were doing a  
large transfer business for the Aultman & Miller Com-  
pany at that time and we had a small territory in which  
we jobbed some of their binders and other goods. We  
have not handled binders since 1890. We have not jobbed  
twine since about 1900 or 1901.

I believe I know something about the conditions exist-  
ing in the harvesting implement business but not of my  
own personal knowledge. I have practically no business  
relations of any kind with the I. H. Co. We do not buy  
goods from them and we do not sell them goods. We took  
hold of the engine business about 5 years ago and our  
largest sales in any one year were somewhere between  
627 1,500 and 1,600 I think the International sell many more  
in the same territory.

We do not aim to push the wagon trade very  
hard. We sell many more gears for the wagons.  
I do not believe that the fact that the I. H. Co.  
has been selling wagons is a reason for our drawing out

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of the wagon business to any extent. We found it more profitable to push trucks, and did so. I think the I. H. Co. became active in pushing wagons five or six years ago. We always have wagons to sell and sell them whenever we can, but the profits have not been as great on the  
628 price we have to pay. I don't believe the competition which we had from the pushing of the Weber wagon by the I. H. Co. is the cause of our discontinuing pushing our wagons. The I. H. Co. sell a type of truck wagon made similar to the trucks of a regular wagon except that it has lower wheels.

We handle the LaCrosse Plow Co. line of plows, cultivators, disc harrows, lever harrows; and some other cultivators. We are an independent house, we own our own business. Plows are one of our important lines. We have been withdrawing somewhat from the stacker line, which never was very active with us. I do not believe  
629 we sold a hundred last year. We sold probably about the same number of stackers and about 125 sweeps. I should say we sold about 125 to 150 loaders and I estimate 600 to 700 grain drills.

XIII

120 W. H. DAY:

*Large Engine Business Developed in Face of I. H. Co. Competition.*

I live in Milwaukee and have for two years been sales manager for the International Gas Engine Company. Its office is at Cudahy. My company makes internal combustion engines. It has been in course of construction about 3 years. We have been selling since I came over there. We build gasoline engines from 1½ to 350 H. P. for farm purposes. Our farm trade is largely in the small sizes. We sell all over the U. S. and have some foreign shipments. Our U. S. sales are at present 90 to 95 per cent. We market through retail hardware and implement dealers principally, and to those who  
121 handle I. H. Co. harvester lines. The fact that they handle such lines has not in the least interfered with the sale of our engines to such dealers.

The competition of the I. H. Co. is normal and businesslike. My concern has been in the engine business less than 3 years. We just got nicely to shipping the

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first of last year; worked up from nothing to half a million dollar basis, which factory was equipped for. For instance, my sales last week were around \$12,000. I found the field open for competition in gasoline engines with the I. H. Co.

Before I was manager of the International Gas Engine Co. I started a company in Minneapolis for myself, the Power Equipment Co. and before that I was with Fairbanks, Morse & Co.; had charge of the sale of gas engines and machinery in St. Paul; started with them in 1900; was with them practically ten years. I was in  
122 competition with the I. H. Co. from 1905 to 1910 in the sale of Fairbanks, Morse gas engines. I always found that competition fair and businesslike.

*Cross-Examination.*

We really got started selling gas engines the first of last year; 1912 was our first season. Can't say just how many we sold in 1912. We started off at nothing and worked up until in October we ran up to \$9,000 or \$10,000 a week. We manufacture from 1½ to 350 H. P. engines, and the sales are largely in the small sizes—4, 6, 10, 15, along there.

I should say we have been in business long enough to be able to express an opinion as to the character of the competition of the International. We started right in the heat of it, and worked up from nothing to a fairly good business. We have paid no dividends yet. We have sold the largest number of engines in the 1½ H. P. size; probably 1,200 or 1,300 engines of that type since we started in business.

For the Fairbanks, Morse Co., I had charge of the machinery and engines sales in St. Paul, covering Min-  
123 nesota, the two Dakotas, and part of Wisconsin. The Fairbanks, Morse Co. was pretty well established in engine business in 1900. They sold them a good many years before the International made any. I left Fairbanks, Morse Co. four and one-half years ago, went to Minneapolis and started a company for myself.

Have never been in the employ of the I. H. Co. and never had business relations with them.

VIII

535 A. R. DEMPSTER:

*Dempster Co.'s Business In the Northwest.*

Am in water supply jobbing business and farm implements. Live at Sioux Falls. Am connected with the Dempster Mill Manufacturing Co. I have had charge of the business of that company in this territory, which includes the larger part of South Dakota, a small portion of Southwestern Minnesota and Northwestern Iowa. We  
536 have corn plows or cultivators, grain drills, gasoline engines, hay tools, such as hay stackers and sweeps. My company has been engaged in the sale of these implements in the territory described since 1895. Have resided in South Dakota in personal charge of the company's business since September, 1910. I am familiar with it in this territory back of the time when I became the resident manager. I practically opened it up and have been in touch with it ever since. My company has done business for some years in this territory in competition with the I. H. Co. in certain lines. That is true of our hay tools, cultivators, gasoline engines, and grain drills.

*I. H. Co. Competition Fair, Same as Other Manufacturers.*

537 The competition of the I. H. Co. while I have been active in the business has been normal, fair and business-like; about the same as other manufacturers and jobbers. We sell our implements to the retail dealers in farm implements throughout the territory and in a very large per cent. to dealers who are handling the I. H. Co.'s harvesting lines. I do not find and have never found that to be an obstacle to the sale of these implements to those dealers.

Our business in this territory in the last years has been on the increase and quite satisfactory. I have found the field in this territory to be open in competition with the International. Found it very satisfactory.

*Cross-Examination.*

538 It is difficult to say what company in my territory has the largest per cent. of business in corn plows. It has been my experience that my main competitors in corn plows are Deere & Co. and the

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Moline Plow Co. We are small in grain drills. Have not heretofore had a grain drill that has been successful in this particular territory and we withdrew from the field two years ago; are taking it up again this year (1913). When we were selling drills up to two years ago did not find the I. H. Co. much of a factor in the grain drill business in this territory, not as much as some of the other manufacturers. I would not know if up to 1910 the entire sale of grain drills by the I. H. Co. in the United States was approximately 2,000. I think the John Deere is the largest competitor in this particular field. I think the Moline Plow Company ranks ahead of the International in that one line in this field.

539 We make the most gas engines 2-1/2 to 6 horse-power. We have International competition. I think they are the largest in this territory. This is our second year in stackers and sweeps. I think we sold less than 200 in this territory last year.

*Re-direct Examination.*

The progress we are making in stackers and in introducing our new implements has been quite satisfactory.

## V

512 H. L. DEMPSTER:

*Business of Dempster Mill and Mfg. Co.*

513 The name of my company is The Dempster Mill & Manufacturing Company. We manufacture farm machinery,—wind-wills, pumps, elevators, grain drills, gasoline engines, hay tools, steel and wood tanks and machinery. We manufacture and sell gasoline engines, grain drills, hay tools and cultivators in competition with the I. H. Co. We commenced to manufacture grain drills in 1907, gasoline engines in 1909, hay tools in 1911, cultivators about 1906 or 1907.

Have been with the company for nine years. I was a retail salesman at the retail store; traveling salesman; manager of our implement department; and sales manager. Our company went into the manufacture of these implements after the I. H. Co. was organized in 1902. Our company felt that there was an opening for the manufacture and sale of those farm implements in com-



V

514 petition with the I. H. Co. We cover portions of Minnesota and Iowa and all of South Dakota, Nebraska, Kansas and part of Missouri, Oklahoma and Texas with sales. We push the sale of all the goods we manufacture except drills as hard as it is possible.

*No Complaint Against I. H. Co. Methods.*

In the sale of these implements we have met with competition from the I. H. Co., We have no complaint against the I. H. Co. They apparently have been fair in their methods. Our business has grown and developed with the years. We sell a large portion of our goods to implement dealers who also handle the I. H. Co. goods. We found that the dealers received our machinery on its merits as they would any other.

*Cross-Examination.*

I think we make articles which form the principal lines of the I. H. Co. I think that their gasoline engine line  
515 and their grain drill line are important. We don't make harvesters, mowers or hay rakes. We make what we call the hay buck. We sold about 800 to 1000 grain drills  
516 last year. And approximately 1000 drills in 1912, 800 in 1911, 1500 in 1910, 1800 in 1909, 1600 in 1908, 1100 in 1907, 2000 in 1906 and 1800 or 1900 in 1905. Our company is incorporated for \$1,000,000. Our principal line of business is pumps and windmills. We do not make wagons, cream separators, manure spreaders, binders or  
517 rakes. We manufacture a stacker and a sweep rake. We sold 125 or 150 stackers in 1912. It was our first year. We sold about the same amount of sweep rakes. In 1912 we sold about 3000 cultivators. I have never seen any of the I. H. Co. cultivators in the territory that we are working. One of ours is a different kind of cultivator than theirs. That is included in the 3000 we sold. We sold about 1000 of this different line.

I do not consider that we are actively in competition  
518 with the I. H. Co., in cultivators. Our business in gasoline engines has increased for the last four or five years.

I was subpoenaed.

Some years ago we took over an implement store at Diler, Nebraska, from the I. H. Co., and we have been buying some goods from them at that point. We buy their binders, some manure spreaders and some mowers

V

519 from them at Lincoln. We sell them as retail dealers.  
C. B. Dempster is the president of our company.

*Re-direct Examination.*

The increase in our gasoline engine business from 1905 to 1912 has been 106 per cent.

VIII

C. A. DENISON:

*Johnston Co.'s Business Increased.*

6 For five years I have been branch manager for the Johnston Harvester Co., with headquarters in St. Louis. My territory is about two-thirds of Missouri and of Illinois, west Kentucky and west Tennessee, west of the Tennessee river.

The Johnston Co. sells grain binders, sulky hay rakes, mowers and corn binders. They do not sell headers in our territory. Competition in the sale of harvesting machinery, in the territory named, has been open for the last five years. The business of the Johnston Harvester Company in the territory I have described has increased some during that period and the increase has been from 10 to 15 per cent. in grain binders; corn binders have increased 100 per cent.; mowers have increased 20 or 25 per cent.; sulky rakes probably 40 to 50 per cent.

7

*Cross-Examination.*

I was in the employ of the I. H. Co. from the time they were formed until July, 1905. Then I was with the Parlin & Orendorff Co. three years and a half; until January, 1909; since then with the Johnston. With the International I was a blockman in West Tennessee. Before the International was formed I was employed by the Milwaukee; was assistant in the office and general traveler part of the time in the St. Louis office. In 1902 the principal competing companies were the Deering, McCormick, Plano, Champion and the Osborne. I have no figures with me as to the number of grain binders sold in my territory in 1912. The approximate sales of grain binders by the Johnston Harvester Company in 1912 was 350 or 375. 360 grain binders was very small in comparison with the amount of business done by the I.

8

VIII

9 H. Co. in my territory. I sold about the same number of grain binders in 1911 and in 1910, about 315 or 320 is my recollection. In 1909 a few less than that, about 300, I guess. I sold 215 corn binders in my territory in 1912, 185 in 1911, 50 in 1910, and about 35 in 1909. The sales of corn binders vary greatly according to the season. Do not think my sales of corn binders was very small in comparison with the International in the same period and territory. I do not know the number of corn binders they sold any more than the general run of trade; it is a fair percentage according to our organization which is very small compared to theirs. We do not have an agent in every town. I am branch manager. We call our agents local agents; that is, the dealer in the town. In the territory in which I sell we have in the neighborhood of 400 dealers. Sold about 850 mowers last year; in 1911 about 800; in 1910, from 650 to 700. I do not know what the total output of the Johnston Harvester Co. is, have no idea as to the figures.

10 I testified for the state in the Missouri suit against the International.

VI

J. E. DUNCAN:

*Oklahoma Manager for P. & O.*

715 Have for two years been manager of the branch house of Parlin & Orendorff Plow Co. at Oklahoma City. About half of Oklahoma is in my jurisdiction. My business calls me out through the territory, and I am acquainted quite generally with the dealers. My experience in that territory is confined to these two years. I have had charge of the business there at the office and have been  
716 out on the territory perhaps eight or ten times. My trips would last four or five days at a time.

*Competition of I. H. Co. Healthy and Businesslike.*

The sale of agricultural implements for Parlin & Orendorff brings me in competition with the International in my territory. We sell wagons, gasoline engines, lever harrows, disk harrows, feed grinders, ensilage cutters, stalk cutters, cream separators, cultivators, corn planters, grain drills, farm trucks, manure spreaders, hay presses, corn shellers, side de-

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livery rakes, sweep rakes and hay stackers in competition with the I. H. Co.; that is all I recall just now. I have  
717 become familiar with the manner in which the implement business has been carried on in the two years in my territory. The competition which I have met with the International was normal, healthy and businesslike and the territory has been open to competitors of the International. Our experience in the sale of the implements mentioned has been a growing and successful business. Am not acquainted with all the dealers throughout territory, but I am acquainted with principal dealers, and the manner in which they handle their business. Nearly all the sales that I make of our implements have been to dealers who handle the harvesting machines of the International. I think I know these principal dealers well enough to have a clear and correct opinion as to what  
718 would be the effect if the International attempted to coerce these dealers into buying the International line and refusing to buy competitors' goods. In my judgment I do not think that they would stand for it. I think it would ruin the business of the International.

*Cross-Examination.*

I think the International sells some part of the output of my company in Canada, but not a large part by any means. The principal line of our business is tillage implements, sulky gang plows, corn planters, cultivators and harrows.

719 I did not receive any instructions from my superiors to testify in this suit and have had no conversation with them in respect to it.

*Lines Handled by P. & O.*

We do not sell any binders, mowers, sulky rakes or twine in my territory. Binders, mowers, steel rakes and twine are among the principal lines sold  
720 there by the International. I cannot say which is the chief of our lines, or whether plows, planters, cultivators or what are our largest volume of business. We sold perhaps 800 or 900 corn planters in my territory in 1912. I do not think the I. H. Co. sells very many corn planters in my territory. The International sells cultivators in my territory and a few corn planters. Wagons and  
721

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- 722 and buggies are our principal items outside of our own lines. There is no line that is our principal line. The International sells cultivators, harrows and stalk cutters in competition with us. I think we have sold very few stalk cutters, but it is competition. I believe that
- 723 stalk cutters are the least competition there is. I do not believe the International sells very many grain drills in my territory because they have just recently taken them on. We have had very little competition from them in grain drills. The large manufacturers and sellers of grain drills in my territory are the American Seeding Machine Co., the Moline Plow Co., the John Deere
- 724 Plow Co. and the Avery Co. We do not sell any steel rakes. I presume there are more of the steel sulky rakes sold than sweep rakes. We sell a whole lot of those sweep rakes. There are 75 per cent. as many sweep rakes as steel rakes sold in my territory, in my opinion. We sold perhaps 250 sweep rakes last year in a territory not quite half of Oklahoma. I do not know how many the International sold. We sold about 150 hay presses in 1912. There are lots of hay presses sold in that state. I do not know how many the International sold. We sold three separators last year. I did not name that as one of the lines that
- 725 competes principally with the I. H. Co. Cream separators are only a side issue with us.

The principal lines we are in competition with the International on are wagons, gasoline engines, sweep rakes, grain drills, farm trucks and harrows. We sold perhaps 150 engines last year, possibly a couple of hundred farm trucks, 600 wagons, 250 to 300 grain drills and a thousand or more harrows. We have a very large sale of sulky plows, gang plows and walking plows. I expect we sold a couple of thousand walking plows and

726 about that many cultivators in 1912. Practically all the competition we had with the International in 1912 was in harrows, cultivators and wagons, with such additional competition as we had from selling 200 farm trucks, 150 engines, 150 hay presses and the sweep rakes. I consider the International one of the strongest competitors we have on these lines that I have named, lines which they have begun to manufacture since 1902.

- 727 Have been in the implement business about fourteen years. I was at Concordia, Kansas, before I went to Oklahoma City; I traveled for the Parlin & Orendorff Plow

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Co. five years. Before that I was in employ of International from the time they were organized until seven years ago. I was blockman for the I. H. Co. in 1903 in the Concordia, Kansas, territory. I left the International in an absolutely friendly way, to accept a better position with Parlin & Orendorff. Parlin & Orendorff gave up manure spreaders about three years ago because it took special men to go out and sell manure spreaders and they did not want to put them on. The I. H. Co. had special men out pushing their different lines.

## 79 CHRISTOPHER DUNKLE:

*Nebraska-Moline Plow Co.*

Am manager of the Nebraska Moline Plow Co., at Omaha. My territory is part of Iowa, all of Nebraska and Wyoming, part of So. Dakota, and part of Montana. Was made manager March 1st this year; previous to that was assistant manager for three years; prior to that time I was general traveler for the Minnesota Moline Plow Co., which position I held about one year; previous to that was employed by Kingman Implement Co. of Omaha, traveling out of Omaha; as salesman traveled for that company about three years.

Kingman & Co. manufactured agricultural implements of various kinds. Believe I have been familiar with the agricultural implement business through these years throughout the territory I have named. Was quite generally acquainted with the dealers in agricultural implements in the various towns and cities of this locality and very familiar with the manner in which these dealers carry on their business.

*International's Competition Healthy and Businesslike.*

The Nebraska Moline Plow Co. sells farm implements throughout the territory mentioned in active competition with the I. H. Co.; implements so sold are wagons, spreaders and hay stackers, hay loaders, side delivery rakes, sweep rakes, stackers, disc harrows, lever harrows, grain drills, corn planters, cultivators, stalk cutters, alfalfa renovators, binders, mowers, rakes and corn binders. Until 1913 our company did not sell binders, mowers, rakes or corn binders. During years that have been assistant manager of this company, have been selling all these ma-

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chines named, except binders, mowers, rakes and corn binders in the territory named. The I. H. Co. competition was normal, healthy and businesslike. During last three years that have been with this company I thought field was open for introduction and sale of a new harvesting line.

*Harvester Field Open—No Difficulty Securing Agents.*

In my judgment based on my knowledge and familiarity of territory and conditions of business, the  
82 field for competition was not only open in the line we handled, but in addition the field of harvesting machinery was open. Our company has taken on a line of binders, mowers, rakes and corn binders; it bought the Adriance-Platt Co. in January this year. Have entered upon the sale of these new implements this season (1913) in our territory. That make has never been sold throughout this territory before.

We think we have met with very good success. We make contracts with the local dealers for the handling of these binders. Our first car of binders came in about  
33 February 4th or 5th, a mixed car of binders, mowers and rakes. We do not make commission contracts. We make straight sale contracts. Up to last Saturday night we had made 126 contracts with dealers in the territory I have mentioned. Up to Saturday prior to last we had 101 contracts. We feel pretty well satisfied that we are successfully introducing and selling this new line of harvesting machinery.

We have taken on three new lines this year; they are  
34 the McDonald-Pitless Scale, the Brillion Clod Crushers and Pulverizers, the O. K. Potato Machine of Hammond, Ind.

The binder has been the easiest new tool to sell that we have taken on.

*Cross-Examination.*

The principal line of the Nebraska Moline Plow Co. has been tillage implements, but to-day are plows, wagons, buggies, binders, mowers and rakes.

*Harvesting Machines Now a Principal Line of Moline Co.*

From the way it has started out with us we consider harvesting machines which we have been selling one

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month a principal line of machinery of our company. The taking of 100 contracts certainly makes it one of the principal lines of our business.

85 Moline Plow Co. has been engaged in business about 50 years. I do not know anything about the purpose or reason which led up to Adriance-Platt purchase. I do not know why the Moline Plow Co. has not in the ten years the I. H. Co. has been organized, attempted to manufacture or sell harvesting machinery. I do know what they have told me as to why within the last month they have commenced the sale of binders. I do not think it has any relation to the bringing of this government suit.

86 I cannot name any company in the U. S. that has entered upon the manufacture of harvesting machinery since the I. H. Co. was formed. I do not believe I could name any person or company that has entered on the manufacture of mowers within the period in which I am familiar.

We have entered side delivery rakes. Their sale is small compared to that of the principal line of rakes.

87 I do not believe I could name off-hand any company that entered upon the manufacture of the principal rake in the period I have been engaged in business. Binders, mowers and sweep rakes have been the principal line of the I. H. Co. in the period in which I have been familiar. We have not been in competition in binders and mowers, as you know, until recently, but on the other lines we have been. I said I thought there was a good field for the lines we have taken on. I do not call three or four weeks, competition; but you can get a pretty good idea of how the business is starting off. The names of the manufacturers selling harvesting machinery in the territory in which I have done business are International, Acme, Johnston, Walter A. Wood; in fact, I handled Walter A. Wood binders and mowers when I was with the Kingman. 88 We did not sell very many. They had a fair trade when they had jobbing connections here.

Probably 75 per cent. of the binders sold in the territory were I. H. Co. The estimate is not low, based on my knowledge. No company I know of sells 75 per cent. of the plows or tillage implements there. There is no one of the lines that would be sold as extensively as binders, mowers and rakes. I have no idea how many binders or mowers are sold in the U. S. in a year.



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89 Our company does not handle twine. I think they did at one time; since I have been with them they have not sold any twine. It has been an important part of the business with the Adriance-Platt Co., as I understand. That is a principal line of the I. H. Co.

Sweep rakes and stakers are harvesting machinery, I believe; sweep rakes are sold with the binders and mowers as harvesting machinery. I would say off-hand that there are more sweep rakes sold than binders. I cannot  
90 tell off-hand how many our company has sold per year.

*Re-direct Examination.*

Within the last two years the John Deere Company has put a new binder on the market. About seven years ago the John Deere Co. entered upon the manufacture and sale of mowers. About six years ago the Independent Harvester Co. at Plano, Ill., entered upon the manufacture and sale of a full line of harvesting machinery.

*Re-cross Examination.*

I do not know when Deere & Co. began to manufacture and sell binders, they were never pushed extensively in this territory until last year; before that I had heard of them being sold here and there as an experimental machine. I believe the Dain Mfg. Co. had been making  
91 the Dain mower before the Deere Co. bought it, how long I could not tell you. I do not know when Dain Mfg. Co. started to manufacture. I knew very little about the harvesting machinery line 10 years ago. I have handled it six years.

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611 GEORGE M. DURKEE:

*P. & O.'s Business In Middle West.*

Am manager for the Parlin & Orendorff Plow Co. at Omaha. My territory embraces all of Nebraska, the three western tiers of counties in Iowa, the Black Hills territory in South Dakota, the State of Wyoming, and three counties in Eastern Colorado. Have been local  
612 manager for four years; have had charge of the sales by Parlin & Orendorff Co.; prior to that was manager for the Minnesota Moline Plow Co. at Minneapolis.

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In last four years have sold wagons, spreaders, sweep rakes, hay stackers, disc harrows, lever harrows, alfalfa harrows, grain drills, seeders, corn planters, cultivators, feed grinders, gasoline engines, hay presses, farm trucks, grain elevators and stalk cutters in competition with the I. H. Co. These sales by our company throughout the territory named were to the local dealers and according to our records a large portion of those dealers handled and sold harvesting machinery of the I. H. Co.

*Field Open; Competition Free.*

613 I found this competition with the I. H. Co. normal and businesslike, and the business grew and developed in our lines I have named as well as in other lines. The field in agricultural implements was open and competition was free, and it is to-day. I have never sold harvesting machinery.

From my experience in the implement business and my knowledge of the conditions that obtain now, I think I am able to form and have an opinion as to the harvester business and the possibility of sales. In my judgment, the opportunities of competition in harvesting machinery  
614 are open to anybody. It is my judgment that any company making a good harvesting machine could go into that field and sell the machine on its merits. In my judgment, the fact that the percentage of harvesting lines made by the I. H. Co. runs up to 87 or 90 per cent. would not prevent a new company or an old company taking up a binder and putting out a good machine on the market and selling it in increasing quantities.

*Cross-Examination.*

It is my understanding that our company is in friendly and contractual relations with the I. H. Co. Plows, planters, cultivators, listers, disc harrows and lever harrows are our principal lines. The I. H. Co. is not a competitor of ours in plows or listers. Our company sells  
615 thousands of planters. The I. H. Co. sells planters in my territory. As long as they make them and offer them to the trade we have got to consider them as competitors. If we don't they will get the business. Our sales will average around a thousand planters a year in this territory. The I. H. Co. is a competitor of ours on our principal line—disc harrows. On things that we manufacture

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they are competitors on disc harrows; on things we job  
616 in this district they are competitors in wagons, spreaders,  
sweep rakes, stackers, grain drills, seeders, feed grinders,  
gasoline engines, hay presses, farm trucks, grain elevators  
and corn shellers. We do not job the harvesting line. I  
understand the harvesting lines are the principal lines  
of the I. H. Co.

617 We took on the spreader about a year ago. When I  
came here they were selling the spreader, but the con-  
tract was canceled a short time before that and we never  
could make another satisfactory connection. We did not  
give up the sale of spreaders because of competition with  
the I. H. Co.

We have had a nice increase in our wagon business;  
our business has increased generally.

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268 E. J. FAIRFIELD:

*Lindsay Bros. Minneapolis Branch Find Competition Fair.*

I reside at Minneapolis, am member and manager of  
the firm of Lindsay Bros., wholesale farm machinery and  
jobbers of agricultural implements. We do business  
269 throughout Minnesota and North Dakota, one-half of  
South Dakota, quite a portion of Montana, and a little of  
Wisconsin. Our biggest line is the Johnston Harvester  
Company line, the Roderick Lean Manufacturing Com-  
pany line, the Beaver Dam Manufacturing Company, the  
Plymouth Cordage Company, the Neal Johns & Company  
wagons, the James & Meyer Buggy Company, S. G. Gay  
Buggy Company's line and the Oliver Chilled Plow Works  
line. We have handled and sold all the Johnston Harvester  
Company's line for years, including binders, mowers,  
rakes and corn binders, disc harrows and tedders. We  
handle and sell manure spreaders and gasoline engines.

I have been with this firm 25 years, 15 years in my pres-  
ent position. During the latter period the character of  
the business done by the firm has been practically the  
same, and I have been in charge of our sales throughout  
the territory mentioned. During the life of the I. H. Co.  
have been in active competition with that company. Dur-  
270 ing that period I have certainly found the competition of  
the I. H. Co. in that territory in the sale of the goods I

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have named to be normal, healthy, businesslike, and fair; it was just as it was before, so far as we are concerned.

We do business in our various lines by selling to dealers in farm implements, a great many of whom handle I. H. Co. harvesting machinery. We have not found the latter fact an impediment to our doing business with them in the sale of our implements, where we could interest them in our line.

It is certainly true that in the selling of the Johnston Harvesting implements they are considered by dealers on the merits of the machines, as they would any other implement. Have found nothing to show that they did not so consider them; they were free to consider them on their merits. Have competed for ten years with the I. H. Co. 271 in practically the complete line of farm implements that they sell. Am acquainted with the dealers in the territory I have described and am very well acquainted with their business methods.

Q. What, in your judgment, would be the effect on the I. H. Co.'s business, in the territory you have described, if it adopted and attempted to enforce the policy of saying to all of these dealers that they could not handle I. H. Co. harvesting machinery unless they handled I. H. Co. goods exclusively?

(Objected to as calling for a conclusion; witness not qualified to give own opinion.)

A. I think they would soon get out of the territory if they tried that.

The business of my firm has, in the last ten years, grown larger every year. It has shown an increase in the business in the harvesting line every year; tillage implements have been increasing every year as country has grown and developed. Our business has certainly 272 been successful and satisfactory. We handle and sell Plymouth binding twine. Business in that is increasing all the time.

In handling the Johnson Harvester Company lines of harvesting machinery we have established a relationship with dealers throughout the territory, whereby they are authorized to handle and sell that line.

I have prepared a list of the towns in the territory I have named, where we have an authorized representative for the sale of the Johnston Harvester Company's harvesting machinery.

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Said list shows total number of agencies in the territory, 464, distributed as follows: Iowa, one; Minnesota, 284; Montana, eighteen; North Dakota, eighty-nine; South Dakota, forty-seven; Wisconsin, twenty-five. (See Rec., Vol. XIV, pp. 227-231.)

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*Cross-Examination.*

In round numbers the business of my company was a million and a half last year. I could not say what our account was with the Johnston Harvester Co. in 1912; can give amount of the last check we sent them; could not state the gross business with the Johnston Co. without the figures. We are jobbers for not less than 30 manufacturers in that territory. The Implement Blue Book for 1912, under "Lindsay Bros.," on page 474, is a true statement of the names of some of the companies for whom we act as jobbers.

274 We have a large number of small connections, small lines of goods. I am unable to answer how many Johnston grain binders, Johnston corn binders, mowers or  
275 rakes were sold by us in that territory in 1912.

I am familiar with trade conditions in respect to the sales of the types of machines I have just named. Whether, in the territory covered by us, the sale of the Johnston machine is very small and insignificant as compared with the sales by the I. H. Co. in the same lines, depends on how the comparison is made.

The Johnston Company does not make cultivators. They used to make a disc but discontinued it.  
276 The list labeled "Johnston Agencies 1912-1913" which I produced on direct examination, is a list of the agents handling grain and corn binders and mowers. Those are the three machines included in one contract. Rakes, disc harrows and other machines are sold on another, but we have contracts which cover those three machines arranged for in all those towns. It means that we have sold in each one of these towns either all three or some of the three, in 1912 and 1913.

I would not say we have a much larger number of agents for 1913 than we had for 1912, but it is larger. We are making new contracts every year. The list was made for 1912 and to that we added the contracts already made this year, which were not in 1912; it does

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not give the names of the dealers; it was made up from our shipping record.

(Witness was asked to supplement the list by the names of the dealers in all of the towns named therein.)

*Sales of Johnston Co. by Years.*

277 This statement shows the sales of Johnston Harvester goods by Lindsay Bros. in the territory named by me on my direct examination:

|                |               |                                                                                               |          |          |          |          |                                                                  |          |
|----------------|---------------|-----------------------------------------------------------------------------------------------|----------|----------|----------|----------|------------------------------------------------------------------|----------|
|                |               | Jobbers of Agricultural Implements,<br>Buggies, Harness, Wagons, Pumps,<br>Binder Twine, Etc. |          |          |          |          | Wm. Lindsay<br>T. B. Lindsay<br>E. J. Fairfield<br>J. B. Lindsay |          |
|                |               | Cor. Fourth Avenue North and First St.<br>Minneapolis, Minn.                                  |          |          |          |          |                                                                  |          |
| 278            |               | SALES OF JOHNSTON HAR. CO. GOODS                                                              |          |          |          |          |                                                                  |          |
|                |               | 1906                                                                                          | 1907     | 1908     | 1909     | 1910     | 1911                                                             | 1912     |
|                | Grain Binders | 311                                                                                           | 389      | 315      | 172      | 125      | 162                                                              | 79       |
|                | Corn "        | 15                                                                                            | 45       | 85       | 79       | 133      | 190                                                              | 767      |
|                | Mowers        | 213                                                                                           | 234      | 239      | 370      | 326      | 198                                                              | 116      |
|                | Rakes         | 231                                                                                           | 277      | 262      | 342      | 402      | 257                                                              | 157      |
|                | Tedders       | 110                                                                                           | 101      | 86       | 99       | 42       | 7                                                                | 33       |
|                | Disk Harrows  | 874                                                                                           | 801      | 450      | 492      | 777      | 587                                                              | 556      |
|                | Headers       |                                                                                               |          |          | 4        | 6        |                                                                  | 1        |
| Total Machines |               | 1,754                                                                                         | 1,847    | 1,437    | 1,558    | 1,811    | 1,901                                                            | 1,709    |
| Amount         |               | \$75,647                                                                                      | \$77,836 | \$71,535 | \$60,964 | \$67,957 | \$90,732                                                         | \$91,732 |

- 279 In grain binders, the entire sales of Johnston Harvester Co., in my territory for the year 1912 were 79, which nowhere near approximates an average of one grain binder per agent. On the list which I have produced, there are many times 79 dealers. Every dealer in this list is selling some one of the Johnston machines, that is, grain binders, corn binders, mowers or hay rakes. We have written contracts with the larger dealers; with the smaller dealers we have not.
- 280 If they have any number of machines, we have written contracts with them. Am not able to state how many of the dealers on this list have contracts, and how many handle the goods or buy them when they want them. The sale of mowers (116, as shown by the statement) does not average one mower per agent, as shown by this list of agencies. There are many more than 116 agents. The sale of Johnston grain binders in the territory covered by me has steadily decreased from 311 in 1906 to 79 in 1912. On direct examination I testified that our sales of Johnston goods had steadily increased in volume, and that we had been successful therein. In mowers, the sale of John-

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ston mowers has decreased from 213 in 1906 to 116 in 1912. In rakes, the sale has decreased from 231 in 1906 to 157 in 1912. In tedders there has been a decrease from 110 in 1906 to 33 in 1912, and in harrows a decrease from 874 in 1906 to 556 in 1912. On the other hand, in corn binders there has been a steady increase from 15 in 1906 to 767 in 1912.

The paper I now produce is a list of the companies for which Lindsay Bros. are agents:

*Companies Represented by Lindsay Bros. as Jobbers.*

- 281       Northwestern distributors for the following:
- Plymouth Cordage Co., North Plymouth, Mass., Wel-  
land, Ont., Plymouth binder twine; Oliver Chilled Plow  
Works, South Bend, Ind., Hamilton, Ont., plows and cul-  
tivators; Johnston Harvester Co., Batavia, N. Y., grain  
and corn binders, mowers, rakes, tedders, disc harrows;
- 282   Litchfield Mfg. Co., Waterloo, Iowa, manure spreaders,  
laundries, grain king endgates; Stover Engine Works,  
Freeport, Ill., gasoline engines; N. P. Bowsher Co., South  
Bend, Ind., feed mills; Hocking Valley Mfg. Co., Lancaster,  
O., corn shellers, feed cutters, cider mills and haying  
machinery; Neal, Johns & Co., Lake City, Minn., wagons  
and trucks; Roderick Lean Mfg. Co., Mansfield, O., steel  
harrows, cultivators, rollers, hand carts; Jos. Dick Mfg.  
Co., Canton, O., feed cutters and blizzard ensilage cut-  
ters; Bateman Mfg. Co., Grenloch, N. J., garden tools and  
potato growing implements; Beaver Dam Mfg. Co.,  
Beaver Dam, Wis., grain drills and seeders; Ward Pump  
Co., Rockford, Ill., pumps; James & Meyer Buggy Co.,  
Lawrenceburg, Ind., buggies; S. G. Gay Co., Ottawa, Ill.,  
buggies; Noyes Carriage Co., Elkhart, Ind., buggies; Ran-  
dolph Wagon Wks., Randolph, Wis., trucks; Althouse-  
Wheeler Co., Waupun, Wis., windmills and tanks; Kansas  
City Hay Press Co., Kansas City, Mo., hay presses; F. E.  
Myers & Bro., Ashland, O., hay tools and pumps; Superior  
Hay Stacker Mfg. Co., Linneus, Mo., sweep rakes and  
stackers; Wistrand Mfg. Co., Galva, Ill., corn planters and
- 283   pumps; O. E. Thompson & Sons, Ypsilanti, Mich., root cut-  
ters, grass seeders, and swings; Osgood Scale Co., Bing-  
hamton, N. Y., platform and wagon scales; Peru Plow &  
Wheel Co., Peru, Ill., trucks; Mark Mfg. Co., Chicago, Ill.,  
pump fittings and pipe; Heider Mfg. Co., Carroll, Ia.,  
equalizers; Johnson Mfg. Co., Racine, Wis., fanning mills;

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Glide Road Mach. Co., Minneapolis, Minn., road graders; Gaterman Mfg. Co., Manitowoc, Wis., grain lifter guards; Winona Wagon Co., Winona, Minn., wagons; Wayne Works, Richmond, Ind., spg. wagons and carts; Anderson Co., Minneapolis, Minn., grain tanks and bob sleds; The Prouty & Glass Cge. Co., Wayne, Mich., sleigh cutters; Geo. Grede & Bro. Co., Milwaukee, Wis., sleigh cutters; A. E. Cartier Sons Co., Ludington, Mich., runner atts. & cutter gears; Harvey Spring Co., Racine, Wis., bolster springs; Moore Plow & Imp. Co., Greenville, Mich., feed cookers; Whitaker Mfg. Co., Chicago, Ill., lawn mowers; Hackney Mfg. Co., St. Paul, Minn., litter carriers; Stover Mfg. Co., Freeport, Ill., pump jacks; Sidney Steel Scraper Co., Sidney, Ohio, scrapers; Victor Safe & Lock Co., Cincinnati, Ohio, safes; Cleveland Stone Co., Cleveland, Ohio, grindstones; Brown Mfg. Co., Zanesville, Ohio, harrows; Kansas City Hay Press Co., Kansas City, Mo., hay presses; Hunt, Helm, Ferris & Co., Harvard, Ill., tank heaters; New Winona Mfg. Co., Winona, Minn., saws & frames; The Goodell Co., Antrim, N. H., hand seeders; D. B. Smith & Co., Utica, N. Y., hand sprayers.

284 I now produce the additional list counsel requested.

I took a copy of the list last submitted, and put a check mark against each dealer with whom Lindsay Bros. have a written contract, and a cross mark against those  
 285 with whom we do not. As to whether these names indicate that there is a written contract with us specifically relating to Johnston goods, would say, we write few such contracts. We have a few cases where the dealer wants only Johnston goods, but in most cases our dealers want the whole line and the contract covers it, including the Johnston goods.

The other day I produced, at counsel's request, a list of 50 manufacturers whose goods we handle as jobbers. Exclusive of a few small scattering ones, I did not trouble to put into it, it is a comprehensive list. We make contracts with dealers which relate to goods of all those 50 manufacturers.

286 This list I have produced today with check marks of dealers indicates that all dealers whose names are checked have written contracts, under which, if they desire, they may order goods of any of those 50 manufacturers. Not many of our dealers want a contract naming only Johnston goods. All the dealers on this list buy Johnston



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goods from us. The list is of all the dealers to whom we shipped Johnston goods in 1912 and from whom we have orders for Johnston goods to be shipped in 1913.

287 There are a great many more names on this list than there were grain binders sold in the Johnston line in 1912 by us.

*Re-direct Examination.*

Defendants' Exhibit 47 is the list I mentioned as having been checked with respect to most of the names and crossed with respect to a few.

*Dealers Having Written Contracts With Lindsay Bros.*

Said Exhibit shows a total of 293 dealers who have written contracts, distributed as follows:

Minnesota, 181; Montana, fourteen; North Dakota, forty-nine; South Dakota, thirty-seven; Wisconsin, 12. It also shows thirty-five dealers who do not have written contracts, distributed as follows: Iowa, one; Minnesota, twenty-three; North Dakota, five; South Dakota, 3; Wisconsin, three. (List appears in full in Vol. XIV, pp. 232-238, incl.)

288 We have had an increasing sale of Johnston corn binders in my territory from 1906 to date, selling all that the factory could deliver to us. In the past we have sold large numbers of disc harrows and still sell many of them. The trade on them varies a good deal. It has been affected more perhaps by competition we have had than anything else we have in the Johnston line. A number of years ago the Rock Island Plow Company came into the territory with a low priced disc harrow, which cut down our disc harrow trade. Later on the P. & O. people appeared and they are our strongest competitors in disc harrows today. Last year they bothered us a good deal with prices made and efforts to get business. We have never found the I. H. Co. very strong competition on disc harrows. The trade on mowers and rakes is affected by more things, perhaps, than anything else. In the first place they go along with binders to quite an extent. The principal thing in competition of mowers and hay rakes is the condition of the season. If it is a wet season, the hay is good, and there is a good trade on them; if it is a dry season there is practically nothing. There has been no mower and rake trade for the two years past, though 1910 was a big year in them.

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Many of the dealers have on hand some of those mowers and rakes to-day that they have not sold.

Defendants' Exhibit 47 is a list of the names of the dealers in our territory to whom we have sold the Johnston Harvester Company goods in 1912 and those dealers from whom we have orders to ship Johnston Harvester Company goods in 1913. The dealers whose names are marked by a cross on this exhibit are those where it has not been convenient or possible to have written contract with them for these implements. In most cases they are dealers who have sent us their orders by mail and we have their signature to a letter ordering the goods. We  
 289 treat them exactly the same as those with whom we write contracts, giving them the same territory rights, services of our experts, terms on goods, etc. The men whose names are marked with a cross on this exhibit are those with whom we did business in 1912 in Johnston Harvester Company goods, or have their orders for 1913 in the ordinary course of business.

We purchased from the Johnston Harvester Company in the years named goods in the following amounts:

|     |           |             |
|-----|-----------|-------------|
| 290 | 1906..... | \$75,647.00 |
|     | 1907..... | 77,836.00   |
|     | 1908..... | 71,535.00   |
|     | 1909..... | 60,964.00   |
|     | 1910..... | 67,957.00   |
|     | 1911..... | 90,732.00   |
|     | 1912..... | 91,732.00   |

### *Re-cross Examination.*

Lindsay Bros. have no business relations whatever with the I. H. Co.

XI

473 A. B. FARQUHAR:

*In Implement Business for 57 Years.*

Have been for 57 years a manufacturer of agricultural implements under firm name of A. B. Farquhar Co., at York, Penn. My company carries a full line of plows, cultivators, drills, harrows, and of course,  
 474 steam engines, threshing machines, planting machines, corn planters and seeders, tillage implements, engines, and tractors. Those tractors are

XI.

sold throughout the world. The business has been of this general character for a great many years. I come in competition with the I. H. Co., both in the domestic and the foreign trade, during the years that it has been in business, making the lines which we make.

*I. H. Co.'s Methods Strikingly Businesslike and Fair.*

I am just as familiar as an outsider could be from watching those methods, with the methods of the I. H. Co. in the United States and abroad. Its methods of competition are strikingly businesslike and fair.

I have been engaged in the foreign trade for about 50 years; I think I was a pioneer in the export of American-made agricultural implements. I began 1863 or 1864.

475 We first began to export plows, followed by corn shellers. They were followed by a general line, threshing machines, engines, sawmills, tillage implements, broadcast seeders, drills, and so forth. Through my agents and from observation am familiar with the business methods, and the effect and development of the foreign trade by the I. H. Co. I would say unqualifiedly it has had a beneficial effect, because the products of the International have a high reputation, as has also its manner of business, and it has increased the sales of American implements in other lines abroad, because it is looked upon as a leading American manufacturer. I think the development of the foreign trade by the I. H. Co. has helped its competitors there. It certainly has in my case. The course of my foreign trade during the past ten years has increased from year to year, with some exceptions when there were failures of crops. The general course has been a decided advance.

*Cross-Examination.*

I suppose we make more in value in engines than in any other article. We export them and sell them at home. We make traction engines, portable engines, and oil or gasoline engines. The gross amount, in dollars and cents, of the business of my company in the United States is about \$750,000, of which \$100,000 of that is in cultivators and

476 harrows; \$650,000 is in plows, drills, engines and corn planters. We have no competition with the I. H. Co. on plows. The same thing is not true of drills. I can't tell how long the I. H. Co. have been making drills. I

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have understood that drills were sold through the I. H. Co. quite largely. I was not aware that the I. H. Co. output of drills in the year 1911 was only 2,000. I have not noticed competition on drills with the I. H. Co. until  
477 the last year or two. In describing or characterizing the competition of the I. H. Co. with my company, I had no special reference to the drills, only as one of the features.

We make thousands of corn shellers. They are an important line. Don't know how many the I. H. Co. make. I don't know whether or not it is a very small factor in the corn sheller business. The I. H. Co. sell corn shellers, and naturally there is some competition. I am not able to say whether they are our largest competitors.

My time is nearly all taken up in various other pursuits. I give an hour a day to my business, and all the rest is devoted to eleemosynary matters, and other things; so I am not as well posted in the business as I was years ago. Have been giving only an hour or two to business during the last two years, but I have always given a great deal of time to writing articles on political economy and various other things. I was always interested in various other matters as well as my business.

In the last two or three years I have only a general idea of the sales of my company, but they keep me posted, of course. I usually have consultations with my chief salesmen about once a week. We sell about 400 threshing machines, not altogether in the United States; about 300  
478 in the United States. We are an old and conservative concern, not very large. Our gross business in the United States in 1911 was \$750,000; a slight increase in 1912.

The advertisement in the Implement Blue Book for 1912, p. 105, is an advertisement of our company. It says: Implements, Potato Diggers, Grain Drills, Corn Planters, Harrows, Cultivators. That would not be the principal lines. Engines, boilers, sawmills, threshers, road engines, would be the largest items. We do not sell very many plows in this market; sold them almost entirely in the export trade. We do not make harvesting machinery now. We used to make horse rakes and mowers. We gave up mowers about 12 years ago, about the time the I. H. Co. was organized. Other people made a specialty

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of them and could make them cheaper and to better advantage.

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183 THOMAS FINDLEY:

*Business of Massey-Harris Co. of Canada.*

I reside at Toronto, Canada. Am Vice-President and  
184 Assistant General Manager of the Massey-Harris Company, Limited, which has been engaged in the manufacture and sale of agricultural implements since about 1840. It was organized in Canada in 1891, and was made up of four companies; the Massey Manufacturing Co., manufactured harvesting and hay goods; A. Harris, Son & Co., and Patterson Bros. Co., manufactured a similar line, and J. O. Wisner Co., manufacturing cultivators and seeding goods. Sir Lyman Melvin Jones was President of our company. He has been in the harvester business about 40 years; president of the company about 8 years, received his title about 2 years ago.

The Massey-Harris Co. has one plant at Toronto, two at Brantford and one at Woodstock and we have a controlling interest in the Johnson Harvester Co. at Batavia, N. Y., and own the Deyo-Macey Engine Co., at Binghamton, N. Y. The Canadian plants are all in the province of Ontario.

I have been connected with the Massey-Harris Co. since it was formed. The manufacturing and sales department all center in the department I am in. Have been connected with that department about 12 years directly; in-  
185 directly all the time.

About 3 years after the organization of the Massey-Harris Co. we added a plow plant, and probably 4 or 5 years after we added a wagon plant; 10 or 12 years later we added a manure spreader plant; in 1902 we made tillage tools including plows and cultivators; seeding machinery, haying goods of all kinds, harvesting goods, which line included a stripper harvester, which was made for Australia; we may have been making the manure spreader a year or two after, am not positive. Since that time have added cream separators and gasoline engines.

Our products are sold in Canada; if we include the Johnston Co., in the U. S.; in practically all the countries of Europe; in Siberia and Asia; to a limited extent in

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India; in Africa, both north and south, South America, Australia, New Zealand and I think some in the Fiji Islands.

*Foreign Prices and Canadian Prices Higher Than in U. S.*

187 The prices in the foreign field, speaking from the Canadian standpoint and excepting the U. S. are everywhere higher than they are in Canada. Retail prices in Canada are higher than on these lines of agricultural implements in the U. S. There is no place in the world where the retail prices of agricultural implements are lower than in the U. S., or have been lower in past 10 years.

The prices of harvesting machinery in the U. S. and Canada compared with the prices of other agricultural implements, relatively, are at least as low; I think perhaps a little lower.

The question of the expansion of our foreign trade has been determined by the amount of capital we were willing to put into it. I think our company acquired control of the Johnston Harvester Company at Batavia, N. Y., in January, 1910.

188 I helped prepare the interview reported in the Toronto World of January 12, 1910, of Sir Lyman Melvin Jones, president and manager of the Massey-Harris Co. (Vol. III. page 382), in which he gives, as reasons for buying the Johnston plant at Batavia, New York:

1. Its ideal situation for the export trade; low freight rates to the Atlantic seaboard;

2. That the goods can be manufactured more cheaply there and delivered abroad than from Canada;

3. Asked how it had been possible for Massey-Harris Co. to compete with American harvester companies abroad, he said: "For the simple reason that prices in foreign countries, where we do business, are higher than in Canada, and therefore we have been able to do a profitable business abroad, where our goods are sold for the highest prices."

The interview as it appears in the record is substantially correct, and from my knowledge and acquaintance with conditions of business in countries to which have referred, the interview correctly states the facts as I know them. The purchase and control of the Johnston plant was and is regarded by us as a good purchase to aid the export trade, on account of the location of the plant. It

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is my judgment and knowledge that goods can be manufactured there for export abroad more cheaply than in Canada.

The statement in the interview that the Canadian Company can compete with the American harvester company abroad because prices abroad are better than in the U. S., is an absolutely correct statement of the facts.

*Cross-Examination.*

The Massey-Harris Co. has an issued capital stock of \$15,000,000. They do an export business all over the world. We are a consolidation of several companies. The  
189 Massey-Harris Co., the Patterson Bros. Co., and A. Harris Son & Co. The Johnston Harvester plant is separate. Our plants were all located in Canada when we acquired them. The Massey-Harris Co. acquired those companies in 1891, 22 years ago.

Have not found it necessary to have a capitalization of \$120,000,000 in order to do a foreign business to the extent that we have done it.

Distinguishing harvesting implements from other lines, I think we are the largest manufacturers of harvesting implements in the world next to the I. H. Co.

*Re-direct Examination.*

*Resources of Massey-Harris, Thirty Million.*

Our resources as distinguished from our capital stock are about \$30,000,000 altogether; about \$15,000,000 more than our capital stock.

113 H. P. FINIGAN:

*I. H. C. Competition In Binder Twine Fair.*

Reside at St. Louis, Missouri. I am in the wholesale  
114 cordage business. We sell Plymouth Cordage Co.'s binding twine in Nebraska, south half of Iowa, Illinois and Indiana, and all the states south of that territory, to retail implement dealers and other merchants, in active competition with the I. H. Co. Have been in competition with the International since the I. H. Co. was organized. We have found that competition fair and businesslike.

Our business has been increasing in the last few years. We are merely jobbers handling the twine. Our busi-

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- ness in binding twine in that territory compared to the year before has increased 30 per cent. The year before it compared about the same as the preceding year:
- 115 There will be a large increase this year over last year.

*Cross-Examination.*

We do not buy any twine. We sell it as agents for the Plymouth Cordage Company. Last season we sold about 10,000,000 pounds. We sell in Nebraska, Iowa, Illinois, Indiana, Kentucky, Tennessee, Colorado, Oklahoma, Kansas, Texas and Arkansas. We are exclusive jobbers for the Plymouth Cordage Co. in these states; not all of Indiana, Iowa or Illinois, we have the south half of each state. They fix price at which we sell to dealer. The general manager, F. C. Holmes, fixes the price. He has not had that responsibility all of the last ten years. His father, G. F. Holmes, who died two years ago, fixed the price at which we sold twine to the farmers from 1902 to 1910.

- I do not know what was the entire output of the
- 116 Plymouth Cordage Co. in twine for 1912. The greatest bulk of it was not sold in the states named; they have four other selling agents in the United States. There is one who has the eastern states, coming as far west as Ohio and Michigan—part of Michigan I think, another has the northwestern states, covering part of Michigan and Wisconsin, northern Illinois, northern Iowa, and North and South Dakota, Minnesota and Montana. I don't know anything about the manufacturing end of the Plymouth Cordage Company, or from whom it buys its sisal. I know in a general way, but nothing about the details. Have seen the output of the Plymouth Cordage Co. in twine for 1912 stated, do not remember what it was. I saw it in report they made to the State of Massachusetts. It was something over 100,000,000 pounds. I think that did not include all their output of all kinds of twine and rope. Besides binder twine the Plymouth Cordage Company makes rope in large quantities. They do not make wrapping twine and they have no business relations whatever with the I. H. Co.



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123 CHARLES FREEMAN:

Since 1899 I have been president of the S. Freeman & Sons Manufacturing Co. at Racine, Wisconsin. We manufacture steam boilers, feed and ensilage cutters and horse power corn shellers. Have been making feed cut-  
 124 ters, ensilage cutters and corn shellers since 1885. I think we sell them in competition with the I. H. Co. Our business has been increasing in those lines the last six or seven years.

We sell to implement dealers in Wisconsin and Illinois, and I presume to dealers who handle the harvesting line of the I. H. Co. I do not know that the sales of the implements mentioned to dealers handling International harvesting machinery have been interfered with by reason of that fact. As far as I know, the competition of the I. H. Co. in those articles has been fair and businesslike. I should say our business in the articles named has increased about 100 per cent. in the last six or seven years. We sell throughout the United States. Our sales to the retail implement dealers are confined to Wisconsin and Illinois. We sell to the jobbers in the other states.

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*Cross-Examination.*

I should think in value feed and ensilage cutters run more in dollars and cents than other kinds of implements. Don't know exactly how long the I. H. Co. has manufactured ensilage cutters, should say, seven or eight years. Don't know how many ensilage cutters the I. H. Co. sells a year.

We have not experienced any strong competition in ensilage cutters from them. Stalk cutters are the same thing as feed cutters. The I. H. Co. is not very much of a factor in the sale of feed cutters.

The Smalley Manufacturing Co., E. W. Ross Manu-  
 126 facturing Co. and the Silver Manufacturing Co. are larger manufacturers of ensilage cutters than the I. H. Co. I think we sold about 500 ensilage cutters in 1912. The only other line in which we compete with the I. H. Co. is corn shellers. We sold 4,000 or 5,000 small hand shellers in 1912; in 1911 I think we made more than in 1912. Corn shellers are inexpensive implements. Cannot state how many are sold in the United States.

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If Petitioner's Exhibit 262 shows that the I. H. Co. sold 10,216 corn shellers in 1911, I know of no one concern that I would think manufactured or sold as many as the I. H. Co. I have no business relations with the I. H. Co.

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## 459 AUGUSTUS M. FRISH:

I live at Madison. Have been Wisconsin state manager for the Rumely Products Company ever since its organization, a year and a half ago. Prior thereto was state manager there for 15 years with the Advance  
460 Thresher Company, which went into the Rumely Products Co.

*I. H. Co. Competition Very Satisfactory.*

The Advance Company sold, and the Rumely Company has sold in the last year and a half, steam traction engines, threshing machinery, corn huskers and shredders, internal combustion engines, gasoline and farm engines, cream separators, hay balers, and plows. We sold internal combustion engines, cream separators, corn huskers, shredders, hay balers, and threshing machines in competition with the I. H. Co., but not on the steam engines. As to the character of that competition, it has been no harder than that of any other competitors. They are our strongest competitors on internal combustion engines. Others are the strongest competitors on other lines. But the competition of the I. H. Co. was very satisfactory. Our sales have increased from year to year in these competitive lines.

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*Cross-Examination.*

Rumely Products Co. is the selling company for M. Rumely Company. The I. H. Co. is the principal competitor of the Rumely Company in small engines. It has been reported that the Rumely Products Company has had some financial difficulties in the last few months, and Clarence S. Funk, general manager of the I. H. Co., has recently been elected president. I do not know whether the M. Rumely Company owns all the stock in the Rumely Products Company. The Rumely Products Company sells the product of the M. Rumely Company and buys outside goods, but the bulk of their business is

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402 the sale of M. Rumely Company's products. We do not sell binders, mowers, hay rakes, twine, corn binders, side-delivery rakes, or tedders. We have no harvesting line of machinery. The largest items in our volume of sales are threshers, steam engines, and internal combustion engines; threshers the largest, I think, and traction engines next.

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337 JAMES F. GALLAGHER:

*Implement Business of Montgomery, Ward & Co. About \$2,000,000.*

Live in Maywood, a suburb of Chicago. Since October, 1909, I have been in charge of the implement department of Montgomery, Ward & Co. Before I had charge of that department, for about 4½ or 5 years, I was assistant to manager in charge. Montgomery, Ward & Co. is located in Chicago. They have branch houses at Kansas City and Ft. Worth, Texas. The company conducts a catalogue or mail order business, selling direct to the consumer through catalogues or correspondence. The volume of farm implement business of Montgomery, Ward & Co. in 1912 was approximately \$1,250,000, exclusive of buggies, wagons and cream separators. Including these items, I would estimate their business in the implement line in 1912 as about \$2,000,000. I guess volume of business in these lines for 1913 is on the increase. Based upon the increase so far this year the approximate business of Montgomery, Ward & Co., in the lines mentioned including buggies and wagons, will be at least \$2,500,000, or a little better, perhaps.

Excluding buggies, wagons and separators, the business done by Montgomery Ward & Co., in these lines in 1902 was about \$500,000. I believe we handled separators in 1902. Including buggies and wagons, I would estimate the volume of the company's business in the implement line in 1902 as being about \$1,000,000. There has been an increase in the annual volume of business with my firm in implements since 1902 to the present time.

339 We handle discs, spring tooth and peg tooth harrows, land rollers, end gate seeders, seed drills, corn planters, cultivators, mowers, separators, (the separators are handled by the house but not through implement department)

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rakes, loaders, hay presses, feed cutters, corn shellers, (hand and power), binder twine, and binder and mower repairs, such as sections, knives, heads, guards, and  
 340 guard plates for all makes of machines for which there is a large demand for repairs. That includes repairs for the International makes of binders and mowers.

*Number of Different Machines Sold. (Defts.' Ex. 119.)*

I have made a list of the articles mentioned showing the numbers which were sold from 1909 to 1912, inclusive, with an approximation of the sales for the balance of the year 1913. The list is as follows:

|                                                                           | 1909    | 1910    | 1911    | 1912    | Approximate<br>Sales 1913. |
|---------------------------------------------------------------------------|---------|---------|---------|---------|----------------------------|
| 340 Disc harrows                                                          | 589     | 580     | 501     | 572     | 704                        |
| Spring tooth harrows                                                      |         |         | 305     | 379     | 418                        |
| Peg tooth harrows—<br>See                                                 | 2236    | 1749    | 1927    | 1818    | 2696                       |
| Land rollers                                                              | 119     | 135     | 137     | 90      | 154                        |
| Endgate seeders                                                           | 397     | 396     | 409     | 418     | 557                        |
| Seed drills                                                               | 241     | 301     | 306     | 338     | 472                        |
| Corn planters                                                             | 433     | 274     | 417     | 325     | 486                        |
| 2 H. Cultivators                                                          | 621     | 740     | 722     | 418     | 585                        |
| Mowers                                                                    | 331     | 450     | 543     | 704     | 890                        |
| Separators                                                                | 1349    | 3381    | 2413    | 2596    | 6152                       |
| Rakes                                                                     |         |         | 309     | 384     | 536                        |
| Loaders                                                                   |         | 14      | 12      | 10      | 22                         |
| Presses                                                                   |         | 17      | 27      | 87      | 130                        |
| Feed cutters                                                              | 786     | 1058    | 1440    | 1355    | 1890                       |
| Corn shellers—hand                                                        | 1421    | 1847    | 2220    | 2229    | 3120                       |
| “ “ power                                                                 | 260     | 349     | 451     | 548     | 766                        |
| Fanning mills                                                             | 746     | 953     | 926     | 670     | 964                        |
| Binder twine (tons)                                                       |         | 408     | 290     | 515     | 800                        |
| Mower and Binder Repairs.                                                 |         |         |         |         |                            |
|                                                                           | 1910    | 1911    | 1912    | 1913    |                            |
| Sections                                                                  | 174,082 | 205,380 | 234,972 | 340,325 |                            |
| Knives                                                                    | 789     | 798     | 906     | 1,035   |                            |
| Heads                                                                     | 1,323   | 1,492   | 1,761   | 1,683   |                            |
| Guards                                                                    | 7,317   | 7,686   | 8,294   | 10,140  |                            |
| Guard plates                                                              | 32,805  | 40,285  | 43,935  | 47,040  |                            |
| 341 1913 sales are figured on the basis of increase over 1912 up to June. |         |         |         |         |                            |

During time I have been connected with Montgomery Ward & Co. the field for the sale of implements men-

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tioned in the list has been open, and so far as I know, it has been a fair field. The above implements are sold by Montgomery Ward & Co. in competition with similar implements sold by the I. H. Co. Competition with the I. H. Co. has been fair and businesslike. We distribute our catalogues generally by mailing to the farmers throughout the United States, with the exception of perhaps a small area. In these catalogues is given a cut and a short statement of each implement for sale and the prices at which they are sold by our company. That has been our custom during all the time I have been connected with Montgomery Ward & Co.

*Cross-Examination.*

We do not sell binders.

342 We are not a large enough factor in the mower, rake or hayloader business to describe the conditions so far as competition is concerned.

We are a little more familiar with conditions in the harrow business than we are with other tools mentioned. We are a comparatively small factor in the business.

I do not know what the twine output of the I. H. Co. was in 1912. I knew that ours was a very small percentage compared to their output. I do not believe it was  
343 quite one per cent. of what they sell. I do not believe that agricultural implements could be considered a principal line of the Montgomery Ward & Co. I cannot say positively as to what was our gross business in 1912. Saw it given in the newspapers as about \$35,000,000. Our agricultural implement business is about six per cent. of our total business, and of that, very little is in mowers, rakes or twine.

The I. H. Co. has never manufactured for us or allowed us to sell any of their goods.

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446 B. F. HAMEY:

*Minneapolis Manager for P. & O. Co.*

Live in Minneapolis. Have been manager there for Parlin & Orendorff Plow Co. a year in August. Prior to that was assistant manager at Minneapolis, since they

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opened the house there three years ago next July. My territory is Minnesota, North and South Dakota and about fifteen counties in Northwest Wisconsin. Our business is selling farm implements to dealers as jobbers and manufacturers. As manager and assistant manager have been in active touch with the business and sales of the company throughout the territory for the period named. Prior to July, 1910, the P. & O. Co. did no business throughout this territory directly. Its goods were marketed through Dean & Co., a jobbing firm at Minneapolis. Its business was very limited through the jobbing connection. In July, 1910, the P. & O. Co. opened its branch house here. Since that time our company has been selling implements in competition with the I. H. Co. At present we are in competition with the I. H. Co. in the sale of wagons, gas engines, disc harrows, lever harrows, feed grinders, ensilage cutters, side delivery rakes, sweep rakes, stackers, stalk cutters, cultivators, grain drills, farm trucks, manure spreaders, hay presses, and corn shellers.

*Competition of I. H. Co. Legitimate.*

When we opened the house for the P. & O. Co. in July, 1910, we did not immediately take on sale of all these implements; we took them on as we could make satisfactory connections and arrangements with the various concerns who handle lines that we wanted. We sold our goods to local implement dealers throughout the territory; a very large per cent. of whom handled I. H. Co. machinery. I have not found that fact an impediment to the sale to them of lines we handle, only the same as any other competitors; it proved no obstacle to selling our goods to them. Our opportunity for competition with the I. H. Co. and all other companies to the dealer is free and open. We consider the competition of the I. H. Co. legitimate. Our business has been good. The P. & O. Co. of Minneapolis started with nothing. The first year did a nice business; the second year had a 40 per cent. increase; this year our first ten months we show better than 50 per cent. increase over the second year. We did a satisfactory business this year under the circumstances. We have made money every year.

*Cross-Examination.*

We are a separate corporation, known as the Parlin & Orendorff Plow Company of Minneapolis. All its  
 450 stock is owned by the P. & O. Company of Canton, which has been in business for more than three-quarters of a century.

Plows are not altogether the main line of the P. & O. Company. I would not say they are the principal line.

451 The advertisement of the P. & O. Co. on page 183 of the Implement Blue Book is an advertisement from the home office, not the branch house. The heading of the advertisement after the words "P. & O." in heavy black-faced type, being the largest type on that page, is "Light Draft Plows." That is not the specialty of the P. & O. Co. They have no specialty. What you would call a plow we might not in our way term a plow.

452 We advertise 36 implements as plows on that full page advertisement. This advertisement does not cover our full line. I do not find an equal number of any other article advertised in this. The next largest class advertised in that page is cultivators. Our line is larger in cultivators than in plows, but they are not all on there. We have a larger business in plows in our territory than  
 453 anything else. In the territory of which I am the manager the specialty or best known line of the P. & O. Company is this plow line, and that is the only territory to which I referred on direct examination, and in which I described the competition of the International.

I have heard of the I. H. Co. selling plows in my territory. They sell quite a number of plows of our make. They sell more Oliver. In a few cases the International sells our goods in competition with our own sales. The I. H. Co. sells our plows in Canada I understand.

Counsel for the government offered in evidence an advertisement on page 183 of the Implement Blue Book; it is as follows:

P. & O.  
Light Draft Plows.

The most complete and comprehensive line made by any one factory in the country. Note the numerous references to "P. & O." goods throughout the various classifications in this book.

Beet Implements.

Box Carts.

Clod Crushers.

Corn Drills: Fertilizer Attachment for No. 24; No. 66; One-horse.

Corn Planters: Drill Attachment for Parlin; Fertilizer Attachment for No. 4; Fertilizer Attachment for No. 66; No. 4; No. 66; Parlin.

Cotton and Corn Planters: Double Row; One-horse Single Row; Riding Single Row.

Cultivators—Miscellaneous: Beet; Disc; Lister; One-horse; Orchard.

Cultivators—Riding: Balance Rider; Cantonian; Combined Crank Shift; Hammock Horse Lift; Jewel Hammock; Jewel Surface; New Victor; New Victor Crank Shift; Texas Victor; Two Row; Two Row Surface; Victor; Wiggletail.

Cultivators—Walking: Clipper; Diverse; King; King Balance Frame; Queen Tongueless; Spring Lift Tongueless; Volunteer; Volunteer Balance Frame.

Hand Carts.

Harrows—Disc: Alfalfa; "Canton"; "Canton" Cut-Out; Center-Cut Attachment; Double; Plow Cut; Reversible; Reversible Cut-out; Reversible Pony; Seeder for "Canton" Disc; Seeder for Star Disc; Spading; Star; Tandem Attachment; Tongue Truck; Transport Truck.

Harrows—Drag: Climax; Clod Crusher; Diamond; Favorite; Guard; Harrow Cart; Riding Attachment; Round Bar; U-Bar; Wood Frame No. 2.

Listers: Combined Lister and Drill; Cotton and Corn; Loose Ground Attachment; One-horse Lister Drill; Riding Listers: Single Lister; Subsoilers for Sulky Lister; Two Row Lister; Two Row Middle Breaker.

Middle Breakers.

Plows—Riding and Wheeled: "Canton"; Diamond; Disc; Disc Engine Gang; Junior Engine Gang; Mogul En-



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gine Gang; Senior Engine Gang; Success; Sunset; Vineyard Gang; Two-Way Success; Walking Gang.

Plows—Walking: Black Land; Blue Jay; Brush Breaker; Combination; Corn, One-horse; Ditching; Double Shovel; D Series; Garden; Georgia Stocks; Grading; Hillside; Iowa; Middle Breaker; Middle Breaker Stocks; Middle Buster; Mixed and Sandy Land; New Grounds; No. 50 Combination; One-horse Corn; Prairie Breaker; Road; Rod Breaker, Junior; Rod Breaker, Senior; Rod Breaker, Pioneer; Root Ground; Sandy Land; Scotch Clipper; Single Shovel; Southern; Stubble; Sunset Special; Sunset Vineyard; Timber; Vineyard; Wood Standard.

Potato Diggers.

Riding Attachments: For Drag Harrows; For Middle Breakers; For Walking Gangs; For Walking Plows.

Stalk Cutters.

Sub-Surface Packers.

Parlin & Orendorff Co.,—Canton, Ill.

Largest and Oldest Permanently Established Plow Factory on Earth. Stocks Carried at all Leading Implement Centers.

*Extent of Competition with I. H. Co.*

455 Mr. HAMEY. We did not sell many sweep rakes last year. I don't remember how many, our trade is limited in hay tools. We never worked it hard. On direct examination I gave a long list of things in the sale of which we are in competition with the I. H. Co. We only took sweep rakes on last year, and did not pay much attention to them.

As to whether the line of sweep rakes are in competition with the I. H. Co., if we took them on to-day, they are, whether we sell them or not. I was not speaking about future competition, and not about past competition; you asked if they are competition and they are—with us. We had the same competition with the International in sweep rakes, as with any other competitor that handles them. I do not know how many we sold last year, probably four or five cars, or 150 to 200. Our people enjoy quite a trade out of Sioux Falls on hay tools, and when the Sioux Falls territory

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was transferred under the Minneapolis management last August, right at the end of the hay tool season, we fell heir to that business and took on that line. Prior to that we did not handle them out of Minneapolis; I personally know nothing about the competition on sweep  
456 rakes with the I. H. Co. prior to August, 1912.

I cannot say how many stackers we sold in 1912; very few, though; possibly a carload. Quite a good many more were sold through the Omaha house before we took over the Sioux Falls territory, of which I have charge. This sale of one carload of stackers was made in South Dakota. The other states I have charge of are North Dakota, Minnesota, Montana and fifteen counties in Northwest Wisconsin. I cannot say how many stackers we sold in 1912 in those five or six states. I presume we sold a carload in the State of South Dakota when we took over the territory, after the season was practically over with.

Our competition with the I. H. Co. on stackers amounted to one carload in 1912, in all the states I have named. We have no trade here in stalk cutters to amount to anything. I think we sold as many machine stalk cutters  
457 as anybody. I don't think there are any of them sold in this territory, probably a dozen all told in the northwest.

I gave this list of articles, which we manufacture, in competition with the International because we make them; we have them for sale. Our competition in stalk cutters has been to the extent of half a dozen implements. If we sell only two we are in competition with somebody on it. We sold three carloads of ensilage cutters last year (we took them on last September). I could not say how many hay presses we sold last year, at least a carload; ten cars, it might be twenty; could not say how many unless I had the figures. My line is too long to remember them.

458 The volume of business in stackers, sweep rakes and stalk cutters is small. The articles we sell in competition with the International, on which our volume of sales is the largest, are drills, wagons, truck wagons, extra wagon boxes, disc harrows, drag harrows. We do not manufacture any of the harvesting lines of the I. H. Co. The I. H. Co. has been a very strong factor for the past year in grain drills, not so strong previous to that. It would not surprise me if you told me that the entire sale of grain drills by the I. H. Co. in the United States in the year 1910 was 449. That is their first year with them.

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I would not be surprised that they sold 3,227 drills in 1911. They have gotten a very large business in the last year through the purchase of the three brands of American Seeding Machine Co. I could hardly say as to whether  
459 they are the largest sellers of grain drills in my territory; they are strong competitors. I could not tell you how many wagons we sold in our territory in 1912; we sold 1,500 or 2,000 wagon trucks.

*Re-direct Examination.*

The advertisement put out by the home company at Canton, Ill., does not purport to be, and is not an advertisement listing all the lines of goods we sell. It is a special advertisement of certain things. We get up many advertisements and change them. The next one you see might be entirely different, it might not name all the articles that we name there. Do not necessarily name all the articles we handle in one advertisement. As a matter of fact the plows advertised there are not handled in my territory at all.

*Re-cross Examination.*

I have been an employe of the I. H. Co.; was with the Warder, Bushnell & Glessner people for a year and a half, when they consolidated with the I. H. Co., I remained as blockman fifteen months after the consolidation. Have not been in their employ since.

365 C. A. HASS:

*I. H. Co. Competition in Disc Harrows Normal, Businesslike.*

Live in Minneapolis; I represent Janesville Machine Co. of Janesville, Wisconsin; manufacturers of agricultural implements. My territory is Minnesota, a small portion  
366 of northern Iowa, and western Wisconsin. I have direct supervision of sales. Have held that position 11 years, during which time I have come in competition with the I. H. Co. in that territory. Competition is principally in disc harrows. Ever since the I. H. Co. has been selling disc harrows I have been in competition with that company in my territory. I have found the competition of the I. H. Co. normal, healthy, businesslike and fair.

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*Cross-Examination.*

Disc harrows is one of the leading lines of the Janesville Machine Co., the principal line, probably. The others are plows, gang plows, sulky plows, corn planters, riding cultivators, weeders, spike-tooth harrows and a line of broadcast sowers.

367 I am unable to say what company sells the most disc harrows in my territory; probably Deere & Co., of Moline, and the International are the most important factors in the disc harrow trade. Deere-Webber represent the John Deere in the territory up there. Some of the other large manufacturers of disc harrows are the Rock Island Plow Co., Emerson-Brantingham and the Moline Plow.

This advertisement in the Implement Blue Book for 1912, page 177, is the advertisement of my company.

(Advertisement gives list of implements sold by the Janesville Machine Co., Janesville, Wisconsin, and its branches at Sioux Falls, S. D.; Minneapolis, Minn.; Indianapolis, Ind.; Louisville, Ky.; Memphis, Tenn.; Dallas, Tex.; Denver, Colo.; Baltimore, Md.; Omaha, Neb.; Des Moines, Iowa; Salt Lake City, Utah; Sacramento, Mexico, Mo.; Cedar Rapids, Iowa; Decatur, Illinois; Kansas City, Mo.; Peoria, Illinois; Aurora, Illinois; Columbus, Ohio; Winnipeg, Man.; Calgary, Alta.; Saskatoon, Sask.; Regina, Sask.; Ogden, Utah.)

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383 JOHN W. HEID:

*Harrow and Wagon Business of Vaughn Co. Increasing.*

Am in the implement business at Jefferson, Wisconsin. I am also president of the Vaughn Manufacturing Co. They make wagons and harrows, which they market, as far as I know, in Minnesota, Iowa, Nebraska and Wisconsin. Have been connected with that concern about  
384 eight years. During that time their business in harrows and wagons has increased. I do not take an active part in selling their goods.

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*Cross-Examination.*

The Vaughn Manufacturing Co. manufactures wagons, milk wagons, bob-sleds and spike-tooth harrows. Do not know how many wagons we sold in 1912. I am only in-

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terested in that company, have nothing to do with its management. They probably made 800 wagons, but I do not know anything about it. I testified on direct examination that the business of that company had been increasing. I don't know how many wagons they made in 1911. I know that their business has increased because they have paid larger  
387 dividends, are building a factory and have more money to spend. The capital stock is \$50,000. They paid 6 per cent. in 1912 and they paid 5 per cent. in 1911, and then we had a reserve. I don't know whether they made more wagons or got better prices.

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589 EDWARD HEIDRICH, JR.:

*Business of Peoria Cordage Co.*

Am vice-president and assistant manager of the Peoria Cordage Co. We manufacture binding twine and rope. It is sold throughout the central west through local im-  
590 plement dealers, including dealers handling International harvesting machinery. As to whether that is an obstacle to selling our twine,—we find that just the same as we do any customer, it is competition, that is all. Don't know how else to put it.

*Competition in Binding Twine Businesslike and Fair.*

We sell our binding twine in competition with International. The competition of the I. H. Co. is normal, businesslike and fair. In the binding twine business there has been injected an abnormal element in the shape of manufacturing and selling binding twine by various state penitentiaries. There are 8 institutions manufacturing binding twine; 7 that are selling this year.

591 I have no absolute knowledge of the output of these penitentiaries this last year. We are in touch with the twine business pretty generally; have given attention to the penitentiary twine, the conditions and amount of its output. Have no absolutely accurate knowledge of the output, but from my knowledge of conditions, I estimate it for last year at 34 million pounds.

*Cross-Examination.*

According to my estimate the penitentiaries make over 17,000 tons at 2,000 pounds to a ton. The output of the Peoria Cordage Co. of binder twine in 1912 was about 3,000 tons; in 1911, 2,700 tons. It has sold binder twine since 1889. We have sold some of our output in the last few years to I. H. Co.; about 300 tons to it in 1912; we sold none to that company in 1911.

Can't say definitely what year we had the largest output in binder twine; somewhere within the last 5 years.

592 Sisal is the principal component of binder twine. We have traded Sisal with I. H. Co. when our shipments were held up. We never bought directly from the I. H. Co.

We have bought our Sisal supplies at any time from the same agents as the agents of the International have. Have bought from same dealers in Mexico: Avelino Montes in particular. We buy supplies from Peabody of Boston. Our purchases from MacLeod have been infinitesimal. We have bought probably half our Sisal supply from Montes; that varies. In 1912 we bought about a third. Have bought comparatively little of Peabody this year; could not buy from them at time we wanted to.

There was a very much larger demand for binder twine in 1912 than previous years. The consumption of

593 binder twine in the U. S. in 1912 I estimate at 114,000 tons. Of that approximately 14,000 tons is in excess of the usual consumption of binder twine in the U. S.

5 WILLIAM J. HENRY:

*Competes in Repair Parts; Competition Honorable.*

Live in Auburn, New York; am manufacturer of implement parts and supplies under the firm name of Henry & Allen. I have been in that business at Auburn about 20 years. Our products are sold largely in the United States. We have branch houses; two are run under our own name; five or six others we consider our agencies; also five or six jobbers who handle our goods.

6 Have made parts for binders and mowers for 20 years. The parts we make cover all lines of binders and mowers. We manufacture a portion of the parts of those machines that wear out most frequently, such as the cutting apparatus.

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Our parts are sold in competition with like repair parts of the I. H. Co. Am familiar with the business our representatives do in competition with the I. H. Co. on International repair parts. The I. H. Co.'s competition is fair, honorable, and businesslike. Our business has continually been on the increase since the day we started. It is 100 per cent. greater now, I should assume, than ten years ago.

*Cross-Examination.*

7 The total amount of our business in 1912 was in the neighborhood of \$650,000. Our principal lines are making machine parts for manufacturers and the consumer, for mowers, reapers, harvesters, threshing machines, and any agricultural implement listed in our catalogue. About one-half of our factory product is in repair parts for harvesters, binders, corn harvesters, or mowers, in the neighborhood of \$300,000. We sell in the United States and Europe. 85 per cent. of the \$300,000 is in this country. We do not make complete harvesting implements. I do not think we sell any of our output to the I. H. Co. Have had an occasional order. May have had small transaction with them in 1912. Do not think we sold any to them that year—not to exceed \$50.00 worth. We may send locally to their factory for a spare part, and pay their price. I am not prepared to say whether we did or not.

412 PAUL E. HERSCHEL:

*Herschel Manufacturing Co.'s Sales of Repairs Increasing.*

413 Reside at Peoria, Illinois. Am connected with R. Herschel Manufacturing Co., a corporation, which manufactures and sells repair parts and supplies for the following binders and mowers: Deering, Osborne, Champion, Milwaukee, Plano, Acme, Johnston, Adriance and Walter A. Wood. As the new machines come in we purpose making them for them. The total volume of our business this year is somewhat over a million dollars. We sell these repair parts to dealers and jobbers in this and foreign countries. We cover Russia, France, Switzerland and South America principally. We follow the binder around the world, and sell these parts all through the United States and abroad.

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Other companies are engaged in like manufacture and sale. Companies are engaged abroad in making and selling repair and supply parts for the I. H. Co. machines. In South America we meet the competition of European manufacturers in repairs to a certain extent. We find them soliciting the trade there.

- 414 Our business has grown 150 per cent. in these repairs in the past ten years. All of the business so far as it relates to repair parts and supplies for the I. H. Co. harvesting machinery is in competition with the I. H. Co. The sale of repair parts has increased in the United States in the last ten years in like proportion.

*Cross-Examination.*

Our company was established in 1887. The company we succeeded practically went out of business. My partner, being a mechanic, started to make this line of stuff which he understood. We did not succeed to the name of the company which had been doing business since 1855. There was no such concern as the R. Herschel Manufacturing Company in 1855. I think it was Steiger & Company and we were located in the same place; but not doing business under the same name. We had no connection with that concern at that time. It was generally understood then that they were making nothing but repairs; repairing little machines—mowers when they were out of order.

- 415 My name is Paul E. Herschel. With my brother, was the first of my family in business in that town, under that name.

On page 142 of the Implement Blue Book for 1912, is an advertisement of the R. Herschel Manufacturing Co., as follows:

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R. Herschel Manufacturing Co. \*

Peoria, (Factory, East Peoria, Ill.)

Mower Knives, Sickles, Sections, Pitman Boxes, Link Chain Belting, Wheeled Scrapers, Drag Scrapers, Lawn Mowers, Standard Litter Carriers, (Cut) Leather and Rubber Belting, Hose, Rake Teeth, Cylinder Teeth, Band Cutter Knives, Revolving Hay Rakes, and other Implement Supplies. Cream



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Separator Repairs. Wagon Boxes, Single and Double Trees.

Catalogue Free.

Branch Houses: Minneapolis, Minn.; Kansas City, Mo.; Omaha, Neb.; New York City, Elmira, Philadelphia, Saginaw, Dallas.

The statement on page 345 of Blue Book "Established 1855" is erroneous, The R. Herschel Manufacturing Company was not established in 1855. In this statement of lines manufactured by us, some of these things listed there are made by us, others are not. We do not advertise that we make all those things. A great many of these items are not manufactured by us, they are jobbed. We do a jobbing and manufacturing business. The main articles there we manufacture. Cannot say whether this advertisement was published in that trade journal with my authority, or that of my company; that is handled by the Advertising Department. Our company is capitalized for \$50,000. The total amount of our business in 1912, if I remember correctly, was between \$800,000 and \$850,000. That includes our foreign and domestic business. Cannot answer definitely what was in domestic business. I judge our export business was light last year, from \$35,000 to \$50,000, making our domestic business close to \$800,000.

We make many things not made by the International, for instance, lawn mowers.. On a large part of that \$800,000 we are not in competition with the I. H. Co. Cannot say what the per cent. would be competitive.

The repair parts for binders and mowers that we sell are called cutting parts, such as knives, sections, guards, plates, heads, pitmans, wheel arms, wheel fans, pitman boxes, wearing plates; those would be the principal items. I may have omitted a few. Cannot give exact figures in dollars and cents in those lines in this country for 1912. Would estimate it at 60 per cent. of our business.

Our sales in lawn mowers last year amounted to 6,000 or 7,000.

### *Re-direct Examination.*

Those parts I mentioned are parts of machines that wear out and we supply those for which there is a demand by the farmer.

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We do no business with the I. H. Co. that I remember. Occasionally one of their distributing centers may wish to draw from us or buy indirectly of us, but if they do I know nothing about it. We have no account that I remember. If there is, it is very small.

We sell those repair parts to dealers directly in some instances, in others handle them through jobbers who sell them to the dealers. They are marketed through the retail dealers of the country. We sell canvas for binders.

*Re-cross Examination.*

419 We also sell repairs for cream separators that were not included in that 60 per cent.; that is a very small item.

503 GEORGE HILDEBRANDT:

*List of Dealers Handling Acme Products.*

I am treasurer of the Acme Harvesting Machine Company. I have prepared and brought with me a correct list (Defendants' Exhibit 68) of the dealers throughout the U. S. and their locations, who have contracts with the Acme Harvesting Machine Company for the handling of this line of harvesting machinery. This list is up to date. The names of the towns are arranged alphabetically according to our general agencies.

Defendants' Exhibit 68, gives names of ten Acme Co. dealers in Arkansas, three in California, seventeen in Colorado, seven in Idaho, 447 in Illinois, sixty-six in Indiana, 393 in Iowa, 376 in Kansas, sixty-six in Kentucky, 326 in Minnesota, 273 in Missouri, twenty-six in Montana, 272 in Nebraska, 203 in North Dakota, 167 in Oklahoma, one in Oregon, one in Pennsylvania, one in Saskatoon, 145 in South Dakota, nineteen in Texas, one in Utah, one in Virginia, 165 in Wisconsin, two in Wyoming. Total number of dealers 2,988. (Exhibit 68, printed in full Vol. XIV, pp 193-227.)

504 The Witness: The Acme Company expects to put out about 12,500 binders and 10,000 mowers in 1913. We make a line of hay tools. There will be an increase in the output of that line this year over last year; have not figured that out as far as this year is concerned.

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*Cross-Examination.*

Defendants' Exhibit 68 is a list of the agents for the year 1913. It includes the dealers with whom we have direct sales contracts and those with whom we have commission agency contracts. There might be a few with whom we have contracts for the sale of repairs.

There are probably a few, not very many, on that list that we have not a commission contract with, but merely a sale contract. There are very few sale contracts made where there is not a commission contract. We sell through implement dealers; they act as our agents. They sell the goods and retain as their commission the difference between the price at which they sell them and the price at which we consign the goods to them.

552 GEORGE R. JAMES:

Since January 1, 1900, have been president of the James & Graham Wagon Co. at Memphis, Tenn., manufacturers of farm wagons principally and a few log wagons. The business was established in 1862; incorporated March 1, 1882. Am president of the National Implement & Vehicle Association.

We sell our products in Mississippi, Arkansas, Tennessee, Texas, Alabama, Oklahoma and Missouri. Our business has always been in that territory. About \$500,000 in capital is employed in our business. Our gross sales for the fiscal year ending April 30th were \$350,000. Our business during the past 10 years has had a very satisfactory growth.

*I. H. Co.'s Competition in Wagons Perfectly Satisfactory.*

In the sale of wagons we compete with the I. H. Co. Am acquainted with the business and the character of its competition. It has been perfectly satisfactory to me. The volume of our business in 1912, compared with 10 years ago, would show an increase of not far from \$100,000.

*Cross-Examination.*

Our total output for the fiscal year ending April 30, 1913, was 5,815 farm wagons, and possibly 100 logging wagons. Our output for the previous year was practically the same, possibly 500 wagons more for this last

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year. That year was the best we ever had. The output for year ending April 30, 1910, was considerably less, about 4,800.

Our wagon is known as the James & Graham, and has been sold under that trade name since 1882. In the last 10 years a large number of wagon manufacturers have gone out of business. We are not one of the largest manufacturers outside of the I. H. Co. making wagons in the U. S. The Studebaker Co., the Mitchell-Lewis Co., the Milburn, the Bain, the Winona and a dozen more companies, including the International, make more wagons  
555 than we do. I know of no company manufacturing and selling 5,000 wagons a year other than the International, which has been organized since 1902. That company took up the wagon business 7 or 8 years ago, I think. If it appears in evidence that the International sold 51,977 wagons in 1911, the Studebaker Co. output equals that figure, if the statement made to me by people supposed to know is correct, and I have no reason to doubt that it is.

A good many years ago a company known as the Brown Wagon Co. at Macon, Ga., used to sell wagons in a small way. I could not say exactly when they went out of business. They never were much of a success. They had internal trouble, I understood. There was a company named the Newton Wagon Co., quite a large company, though not by comparison with the I. H. Co. or the Studebaker. I understand it is part of the property of the Emerson-Brantingham Co. now.

I knew a small concern in Georgia—the Davis Wagon Co. I think it is now out of business. I knew a concern named the Burg Wagon Co. which I think went out of  
556 business 5 years ago. I never heard of the Altona Wagon Co. of Altona, Ill. Do not know whether the Hickman Wagon Co. of Hickman, Ky., is still in business. They operated spasmodically. It did not use to be a particularly well-known line of wagons. The Troy Wagon Co. is in business. I do not know what connections they have at present.

There used to be the Flint Wagon Co. I imagine they quit the farm wagon business more or less recently. There was a concern named the Harrison Wagon Co. of Grand Rapids. It is not in business today. They had trouble 8 or 9 years ago and finally made an assignment. The

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Smith Wagon Co. of Pekin, Ill., is still in business and being operated.

*Re-direct Examination.*

557 I would say in gross volume of sales my company might be the largest one in the south in the farm wagon line. There may be two other concerns that make a larger number of small wagons. We make very few light one-horse wagons for the reason that the southeastern territory calls for a very cheap light vehicle that we do not find any profit in.

The wagon business has had a great many companies and firms engaged in it and retiring and entering during all the years I have been acquainted with it. That has been its history during all that time.

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429 CHARLES C. JONES:

*Sandwich Mfg. Co. Find I. H. Co. Fair.*

Am general manager of the Sandwich Manufacturing Co., at Sandwich, Illinois, which manufactures agricultural machinery. Have been connected with the company for 35 years; as general manager 9 years. We sell implements in every state in the Union, but our most important trade, is with the corn belt states, or exporting states. We are and have been in competition with the I. H. Co. in the sale of implements. The I. H. Co. sells throughout the United States all the kinds of implements that the Sandwich Manufacturing Co. sell. Our  
430 entire business is competitive in the sales. I would characterize the I. H. Co's., competition as fair.

Our business is growing. We sell to dealers who handle I. H. Co. harvesting machinery. Have not found that any obstacle in selling implements we manufacture to them.

*Cross-Examination.*

Our company does not make binders or sell twine, mowers, side delivery rakes or sulky rakes. Those are some of the principal lines of the I. H. Co.

431 In Implement Blue Book, for 1912, page 89 is advertisement of "The Everlasting Sandwich Cypress Farm Ele-

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vator," sold by the Sandwich Manufacturing Company, Sandwich, Ill. The I. H. Co., does not make elevators, but have been jobbing those elevators about two years. I cannot explain why elevators should not be in the list of things submitted by the I. H. Co. which they  
 432 sell. I am positive the I. H. Co., sold them last year, at different points. We sold 2,551 last year. The I. H. Co., first started selling them in 1911. The advertisement on page 212, of my company, advertises a "Sandwich Solid Steel Motor-Press."

433 The I. H. Co. sells a press of steel construction, somewhat heavier than ours, with the motor mounted differently. The sale of those presses is very limited in comparison with the sale of binders and mowers.

The advertisement on page 347 of the Implement Blue Book for 1912, states the officers of the company and implements sold by it. Sweep horse powers should be added to this. Said advertisement is as follows:

"Sandwich Mfg. Co. Established 1854. Incorporated 1867.

Capital \$500,000. President, F. S. Mosher; Vice-President, H. A. Adams; Secretary and Treasurer, C. C. Jones, —Spring and Cylinder Power Corn Shellers, Horse and Belt Power Hay Presses, Portable Farm Grain Elevators, Clean Sweep Hay Loaders, Side Delivery Hay Rakes, Feed Mills, Hand Carts, etc."

WITNESS. The I. H. Co., sell the shellers of the spring or picker wheel type. I do not consider them a large factor in this business. I have no idea how many they have sold.

420 JOHN L. JONES:

*Business of Des Moines, Ia., Branch John Deere Plow Co.*

I reside at Des Moines, Iowa; am manager of a branch house for John Deere Plow Company of Moline, the busi-  
 421 ness of which is the sale of farm implements. Have charge of 37 central counties in Iowa. My company competes with the I. H. Co. in the sale of implements in that territory, on the entire line excepting traction and threshing engines and cream separators, including harvesting lines as well as tillage tools and other implements. We started to sell harvesters on my territory in 1912.

Prior to that sold other implements, without having a

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422 line of harvesting machinery, to retail dealers throughout the territory named and to dealers who handled I. H. Co. harvesting machinery. Did not find the fact that dealers were handling I. H. Co. harvesting machinery an impediment to the sale by us to them of our competing implements. Binders were allotted to the different branches, in 1912, by the house. Twelve were allotted to me and I sold them. One hundred were allotted this year and I expect to sell them.

*Field Open to Competition.*

In the years I have been in the territory named I have found the field open to competition. Our business has had a decided increase in the competing lines.

423 Prior to my present position I travelled for the John Deere Company from June 4, 1909, to October 1, 1909, traveling in western Iowa. I am familiar with the conditions under which the agricultural implement business is carried on in that state, and pretty generally acquainted with the implement dealers and know their methods of doing business. If the I. H. Co. should go to these implement dealers in that territory and say, they could not handle the I. H. Co. harvesting machinery except exclusively, and unless they would take the entire I. H. Co.'s implement line exclusively, the majority of the dealers would tell the I. H. Co. to take their goods out of the house. The best dealers would say that, I believe.

*Cross-Examination.*

We are not much of a factor in binders in my territory at present. Twelve binders, the number of binders I sold in my territory in 1912, is not a large proportion of the  
424 binders sold there. Do not believe ours would be a fraction of one per cent. of what was sold. I will only have 100 to sell for 1913.

We are an important factor in the sale of harvesting machinery in this way: the fact that the John Deere Plow Company contemplate supplying binders in the future makes quite a difference. I have found the principal lines which we have, helpful in expanding into other lines. It has been helpful to the I. H. Co. to have had its principal harvesting lines as the nucleus around which to develop their other lines. I do not recall how many mowers I sold

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in 1912. I should estimate fully one per cent. of my business is mowers. I would not want to say 5 per cent.

When I said on direct that we competed with the I. H. Co. on all lines except cream separators, threshers and traction engines, our binder business was less than a tenth of one per cent. of the binder business in my territory.  
 425 We put all our binders in one town, and we worked that town. There are about 200 towns in my agency. Only had competition with the I. H. Co. on binders in one town last year. Sold mowers in probably 75 or 100 towns. Our competition with the I. H. Co. on mowers is very strong. I do not know how many the I. H. Co. sold in our territory.

*Deere Lines in Competition With I. H. Co.*

426 We compete with the I. H. Co. on drills. The first knowledge I had of their corn planters, was, I believe, in 1912. We make sulky hay rakes and sell the Dain. We do not do 5 per cent. of the sulky hay rake business in my territory. We are building corn binders this year, have not sold any yet. We have not been in competition with the I. H. Co.; should have added that to my exceptions.

The I. H. Co. makes no plows that I know of. We have  
 427 never been in competition with the I. H. Co. on plows. Our principal lines are—cultivators, smoothing harrows, disc harrows, corn planters, hay loaders, side-delivery rakes, mowers, hay presses, hay stackers, sweep rakes, power corn shellers, hand corn shellers, grinders, spreaders, grain drills, sowers, wagons, gasoline engines, farm trucks, wagon-boxes, ensilage cutters.

428 The company of which I am a manager is named—John Deere Plow Company, of Moline, Illinois, an Illinois corporation—a company which jobs for John Deere & Company. I believe William Butterworth is president of our company and also of Deere & Company.

*Re-direct Examination.*

I have always found the competition with the I. H. Co. in my territory to be fair.

*Re-cross Examination.*

We do not make or sell twine. It is an article the I. H. Co. sells. Did not mention that as an agricultural im-



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plement. Should say the sales are larger for this than for a great many agricultural implements. Twine goes to the same dealers.

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408 F. E. KENASTON:

*Business of Minneapolis Thresher Co.*

I reside at Minneapolis. Am president and treasurer of the Minneapolis Thresher Co., which manufactures threshing machinery, separators and their appliances, steam and gasoline traction engines, and power corn shellers, and was incorporated in 1887. It has been engaged in that business for more than the last 10 years. We sell our output west of the Mississippi, principally, and Ill., Wis., and Ohio to a certain extent. These implements are large and  
409 rather costly, and are handled through the dealer by commission agency contracts as a rule.

*International's Competition Very Fair.*

I have been connected with the thresher company for the past 10 years and am in touch with its business and its development. Our entire business is competitive with the I. H. Co. They sell threshing machines, gang plows, traction engines and corn shellers. So that on the lines they manufacture and sell and the threshing line that the I. H. Co. jobs, our sales are in competition with the I. H. Co. I have always found that competition very fair.

The business of my company has grown and developed with the years. As to how it was up to 1909 compared with the 10 years previous, will say 1909 was about the same. It might have varied a little; it had not increased from 1902 to 1909. 1902 was an exceptional year in our business, being greater than any period between 1901 and 1909. That was due to crop conditions largely. In 1912  
410 our business was nearly double what it was in 1909.

The local dealers through whom we have marketed our product in large proportion have been dealers who were handling International harvesting machinery. We have never found that fact an obstacle to selling our machinery to the dealers. Think in nearly every case we have had our fair share of the business.

The thresher business, with the large traction engines we make, is a business of disposing of machinery that is

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rather intricate. It involves considerable watchfulness and care in providing expert service with it for the farmer, and it has been our experience that the success of the business depends largely on the merit of the machine and the character of the repair service. We have competition from other companies besides International; some of them large and some small. I have found some of the small companies were very much in evidence in the trade. Competition may be very active even though it may not be very large in proportionate output.

*Cross-Examination.*

Our principal lines are steam and gasoline traction engines and threshers—we call them separators—and power  
411 corn shellers. We do not manufacture gang plows; we job them.

We have competition with the I. H. Co. on threshers. They have sold the machine built by the Aultman & Taylor Co. of Mansfield, Ohio, and the Belle City manufactured at Racine, Wis. They have sold the Aultman & Taylor 2 or 3 seasons.

We have competition on gang plows with the I. H. Co. I don't know whether they make any, but they sell them. The only one I know about particularly is the P. & O. plow. I do not know whether they sell those in this country as well as Canada; I think they do, though.

We sold about 800 threshers in 1912. Can't give exact number of traction engines, but we sold in the neighborhood of 500 or 600 gasoline engines, and 300 or 400 steam engines. Do not think International makes any threshers, at least, not to my knowledge. I don't know whether other companies sell more threshers than the I. H. Co. Don't  
412 know how many the International sells in a year.

The authorized capitalization of my company is \$3,000,000, of which \$2,250,000, I think, is issued. For 1912 we paid 6 per cent. dividends on the common stock and 7 per cent. on the preferred.

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193 FRANK H. KENNEDY:

*California Moline Plow Co.*

I reside at Stockton, Calif.; am manager of the California Moline Plow Co., which jobs agricultural imple-

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ments and vehicles throughout the State of California, Western Nevada, Arizona and the Hawaiian Islands. Have represented the company since 1897. As jobbers, we handle implements manufactured by the I. H. Co. We handle McCormick mowers, rakes, gasoline engines, Mogul tractors, hay presses, delivery wagons, auto delivery wagons and wagons, all made by the I. H. Co. Think I am fairly familiar with agricultural implement business conditions in that territory. The International  
 194 sells its goods through jobbers entirely in that district. The John Deere Plow Co. handles the Deering line of harvesting implements. The Champion line is handled by Baker & Hamilton, as jobbers, also the Milwaukee. It has been handled in the southern part of the state by H. Heyman. Think it has been recently changed to Pacific Implement Co. The practice of selling harvesting implements through jobbers has prevailed throughout that territory for twenty years or more. Before the I. H. Co. was formed in 1902, the McCormick was handled through a jobber;—by my company since its organization. The Deering and Champion lines were handled through jobbers. The jobbers who handled these lines prior to the organization of the I. H. Co. are the ones who have handled them since. I do not think of an exception.

*Prices of Binders.*

195 The price of binders has been reduced a little to the jobber. Mowers in ten years have been reduced, my recollection is, to us, about \$1.50. Do not remember what year, but it is within the period. The binder has been reduced somewhat more than that; should say between \$2.50 and \$5. It varies with the size. I think the tillage tool line has advanced within ten years between 10 and 15 per cent. Wagons have advanced more than that to us. The advance is about 15 per cent. over 10 years ago.

*Machines Sold in Witness' Territory.*

The machine used mainly in my territory in grain cutting is the combined harvester and thresher, manufactured on the coast. At least 80 per cent of the grain in  
 196 my territory is cut by this combination machine. The I. H. Co. makes no such machine, so that 80 per cent. of the

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grain that is cut is cut by machines that are not International.

There is grain cut for hay there by harvesting machines. The McCormick, Deering, Plano, some Johnston and the Acme binders are sold in the territory I have mentioned; also the Adriance-Platt. The mowing machine line has increased in sales. Owing to the grain being cut by the combination machine, the binder is not a factor in our country. The mower is the active cutting machine of the harvesting machine line. Some headers are sold—more than binders. I sell all makes of headers; can think of no manufacturer that is not represented there. A machine manufactured  
 197 locally is sold to an extent. The Deering header is sold there and the McCormick and the Acme. Do not know whether Johnston manufactures one or not. The local one is manufactured at Benicia. In mowers the Deering, McCormick, Plano, Walter A. Wood, Acme, Johnston and Standard are sold in my territory and the Dain. The Milwaukee has been sold there and there are some Keystone. It has an agent there. The Adriance-Platt has the oldest agency there. It has been handled there continuously for 50 years. Do not know how long Johnston mower has been sold there—pretty actively for the last five or six years. Know it has been handled for some years. Dain mowers have been sold more or less since I can remember. The Standard was sold before I had any knowledge of the country and actively when I went there. All these mowers are in active competition. Competition between International and Johnston and Acme mowers has been more active in recent years than it was ten years ago; do not think it is  
 198 so with the Adriance-Platt. Am familiar with conditions throughout my territory. I do business by selling to local implement dealers. Am actively in charge of the business and am acquainted with the dealers.

*Use of Well Established Line to Coerce Dealers Not Allowed.*

Q. What is the fact as to whether your company as jobbers of the I. H. Co. harvesting machinery have attempted to coerce the dealers in the purchase of any of the I. H. Co. goods?

A. The question of coercion as I understand the word, would be a little difficult for me to answer. If you mean

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that there is a purpose to use the fact that some line of implements that you are selling are well established with the agent and he does not sell the other lines, it certainly is not allowed with my consent as manager whether it is done by the men or not. From my knowledge of the people there, I do not think it could be successfully done with dealers in my territory if it was tried.

The Thomas mower (or Crown) has been and is still sold, I think, in my territory. The people who did handle it went out of the implement branch of the business. Believe they retained that and are doing a little with it supplying extra parts. The Osborne mower is very actively sold there.

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*Cross-Examination.*

*Business of the California Moline Plow Co.*

My company jobs the McCormick line of binders, mowers and rakes in the territory in which the I. H. Co. has no general agent. There are in the same territory other jobbers like ourselves representing the I. H. Co. on other lines. We are the sole representative of the I. H. Co. selling McCormick harvesting lines in the territory named; that is, as jobbers. The I. H. Co. in that territory does not sell directly to local agents. We sell to the local agents so that we ourselves so far as McCormick harvesting lines are concerned are not in competition with the I. H. Co., but are merely their representative.

Harvesting grain by the combined harvester and thrasher is a very much older development than ten or  
200 twelve years,—perhaps 50—40 anyway. Eighty per cent. of the grain is harvested by this method, very different from that which prevails in the Middle Western states.

The California Moline Plow Co. is a branch house of the Moline Plow Co. of Moline, Ill., and the stock is held by the same stockholders. It is a branch or distributing house for them; simply a subsidiary corporation. In the same way, the John Deere Plow Co. which represents the Deering harvesting line of the International in our territory is a subsidiary corporation of the John Deere Co. We do not as jobbers handle any binders in our territory that are manufactured by the International except the McCormick, and we handle nothing but McCormick mowers. I

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have no information as to the extent of the sales of Johnston or Standard mowers, nor the volume of their business. The volume of sales of these two types is some less than the volume of sales of the Deering or McCormick mowers.

*Percentage of International Machines Sold in California.*

201 If the testimony shows that the I. H. Co. sold 241,285 mowers in the U. S. in 1911, and that there were 9,592 Standard, 7,026 Johnston and 6,092 Acme mowers sold in the U. S. in 1911;—I should say the relative standing of the three or four other machines, that you mentioned, outside of the International lines, is somewhat changed and reversed in California. For instance, I think the Johnston has a better showing in proportion than your figures there would indicate their relative showing throughout the United States.

202 The Johnston is stronger in California than those figures would show it to be on the average throughout the United States. I do not say that it is greater than the International. It is pretty hard to say off-hand whether or not the Acme is stronger than it appears in the rest of the country. Its sales are much smaller as compared with the I. H. Co. lines. I think the Standard mower has held its own pretty well in that state. There are a good many of them used now. It has always been represented more fully than other machines. There are not as many Adriance mowers sold as there were. When I first went there there were more Adriance sold than any other three combined. They have lost; the others have gained. Before 1902 those who now are jobbing the McCormick, Champion, Milwaukee, Deering and Keystone lines were buying those mowers from different manufacturers. Although the representation of those mowers in my territory has remained the same so far as jobbers are concerned, all the jobbers named on my direct examination are buying the respective mowers from one manufacturer—namely the I. H. Co.

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398 H. M. KINNEY:

*Business of Winona Wagon Co.*

Have been general manager nearly 33 years, secretary about 25 years of the Winona Wagon Co. at Winona, Minn. The company has manufactured wagons since 1879. We succeeded a concern manufacturing practically the same wagon since 1860. We make farm and mountain wagons. Our territory is chiefly west of the Mississippi river, although we have some trade east. They are sold largely through dealers, though we sell to some jobbers.

*International's Competition Fair and Honorable.*

In the conduct of our business we come in competition with I. H. Co. wagons in the territory I have mentioned. Am familiar to some extent with the character of that competition and the way the I. H. Co. conducts its business. We consider that competition by the I. H. Co. fair and honorable.

I have been secretary of the National Wagon Manufacturers' Association for 16 years. Was president one year and have been identified with it more or less during its entire existence.

Our business has grown somewhat in the last 5 or 6 years. We sell our wagons to local dealers, who handle I. H. Co. binders and mowers, and the fact that they handle those International goods is no obstacle to our business.

400

*Cross-Examination.*

The capitalization of the Winona Wagon Co. is \$275,000. We sold in the neighborhood of 5,000 wagons in 1912; a few hundred less than that in 1911. Five years ago our output was between 4,000 and 4,500, I should say. Can't give exact number.

If the evidence shows that the output of I. H. Co. in wagons for 1906 was 25,466, and in the year 1911, 51,977 wagons, the growth of our business was not in the same proportion; it did not double. I would say the I. H. Co. manufactures and sells more wagons than any other company in the U. S. We have never sold any wagons to the I. H. Co. to be distributed by its selling organization.

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*Re-direct Examination.*

Including only manufacturers that make 1,000 wagons  
 401 my estimate would be that the I. H. Co. does in the neighborhood of 15 per cent. of the total farm wagon business in the U. S. I am fairly familiar with the total business of the U. S. on account of my long and large experience with the trade. I think the estimate is fairly close.

*Re-cross Examination.*

Our business is about 1½ per cent. of the total farm wagon business in the U. S.

## 314 GEORGE LINDSAY:

*Lindsay Bros. of Milwaukee Handle Johnston Harvesters.*

I live at Milwaukee, Wis. Am member of firm of Lindsay Bros., jobbers of agricultural implements, twine, vehicles and general lines. We sell harvesting machinery made by the Johnston Harvester Co.

The firm of Lindsay Bros. at Milwaukee and Minneapolis, are separate partnership concerns. I am at Milwaukee. Our operations from there cover Wisconsin, Northern Peninsula of Michigan, a strip of northern Illinois, and a portion of Iowa. In the jobbing of the Johnston harvester line we sell to dealers entirely throughout that territory.

315 I now produce a list of the dealers to whom we sold Johnston harvesting implements in 1912; it gives the names of the towns in alphabetical order, and opposite the name of each town, the name of the dealer to whom we sold the goods. This list covers all places where we have contracts with dealers. It covers more than contracts. There are sales represented here to parties with whom we had not drawn formal contract. The list shows all the dealers, who, in the territory I mention, in 1912 bought either a Johnston corn binder, a grain binder or mower, or more than one of those implements.

The list was read in evidence, and objected to as immaterial.

It shows a total of 236 dealers, distributed as follows: Illinois, twenty-eight; Iowa, nineteen; Michigan, twenty-four; Wisconsin, 165. (List appears in full in Vol. XIV pp. 239-243, incl.)



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*Cross-Examination.*

We job a considerable number of lines and makes of agricultural implements. I have been testifying about harvesting machinery and the list relates exclusively to that.

As to the business in Johnston binders, mowers and corn binders we did in the states named, namely, Wisconsin, Michigan, northern Illinois and northern Iowa, would say I am unable to give you the exact figures, but in the neighborhood of \$85,000 or \$86,000.

547 WILLIAM R. LUMRY:

*I. H. Co. Dealers Handle Competing Engines.*

I am manager of the Associated Manufacturers Company at Waterloo, Iowa, engaged principally in the manufacture of gasoline engines. As manager I have charge of the sales. Our gasoline engines are suitable for farm use and are called farm engines. Our territory covers almost all of the United States where any considerable farming is done. We sell these engines to local implement dealers in the country.

I have been in charge of the business of the Associated Manufacturers Company one year, and have sold these engines in competition with the I. H. Co. throughout the United States. We do not find the I. H. Co. any harder  
548 competition than other people building farm implements. We recognize its conduct and course of business as businesslike and fair. We sell to dealers who handle I. H. Co. harvesting machinery. We have never found the fact that the dealers were handling I. H. Co. harvesting machinery an obstacle to selling them our gasoline engines.

We have an increase for 1912—we measure by the calendar year—over 1911 of about 15 per cent. The business this year is holding up with last year. We have found the field in the United States open for a successful business in gasoline engines in competition with the I. H. Co.

*Cross-Examination.*

Our stationary engines run from 1½ to 12 H. P. Cannot give the exact number we sold in 1912. We do not carry our foreign sales separate from our domestic; it

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would be close to 20,000 domestic. We do no mail order  
 549 business. Our company has been in business about four  
 years, capitalized at \$25,000, paid at incorporation. Can't  
 give figures for 1911. They were approximately 15 per  
 cent. less than we sold in 1912, which in domestic would  
 be close to 20,000 in 1912. We sell about one-fourth of  
 our output through jobbers. We have no business re-  
 lations directly, or indirectly, with the I. H. Co.

*Re-direct Examination.*

The business of the Associated Manufacturers Com-  
 pany in engines has been built up in the four years.

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## 1 WILLIAM E. MANNING:

*Kansas-Moline Plow Co.*

Live at Kansas City, Missouri; am manager of the Kan-  
 sas Moline Plow Co. We have entire state of Kansas,  
 western half of Missouri, and small territory in Northeast  
 Oklahoma. Have been manager in this territory for  
 2 seven years. We have been in active competition with  
 the International on farm wagons, manure spreaders, hay  
 tools, harrows, corn planters, grain drills and cultivators.

*Competition With I. H. Co. Normal; Like Other Competi-  
 tion.*

Competition we have had with I. H. Co. has been normal,  
 the same as we have with all competition. Our business in  
 the sale of these implements has grown. Our company  
 has recently enlarged its business, having taken over  
 3 within the last six months the Adriançe-Platt line of har-  
 vesting machinery, comprising binders, mowers, rakes  
 and corn binders. Am acquainted with the conditions  
 under which the agricultural implement business has been  
 carried on in the territory named. We are going into the  
 field with the feeling and belief that there is business for  
 us. In my judgment, the field is open for our company  
 to enter upon the sale of those agricultural implements.

*Attempt to Coerce Dealer Would Fail.*

Am acquainted with a large number of dealers in agri-  
 cultural implements in my territory and am familiar with  
 their methods of business. In the majority of cases they

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are merchants, the same as the shoe men or the grocery men.

4 Q. What, in your judgment, is the fact as to whether the International could coerce the implement dealers in the territory named, by refusing to let them handle their harvesting machinery unless they refused to buy of the competitors?

A. I do not see how they could. I think the effect of it would be that the dealers would cease to do business with them.

*Cross-Examination.*

*Lines Sold in Competition With I. H. Co.*

5 We have not sold any binders, mowers, sulky rakes, or twine, until the last two or three months. Our principal lines are what we call plow goods and vehicles. The International does not make any plows, to my knowledge. I do not know how many grain drills the I. H. Co. sells in the United States. It is one of our large items. Have known of their selling some grain drills in our territory.

6 Corn planters is one of our important lines. That is a very insignificant line so far as the International is concerned. The only things that we are in competition with them on are farm wagons, manure spreaders, harrows and disc harrows. We do not have any competition

7 with the International on sulky rakes. In this territory the hay tool trade is quite an item. The only principal lines that we are in competition with, are hay tools,

8 harrows and disc harrows. I do not know of any company that has entered upon the sale of binders in the United States, since the International was formed, up to when the John Deere Plow Company commenced building machines. They have only just commenced. Grain binders, corn binders, mowers and sulky rakes are the principal lines of harvesting implements. Whether or not the field is open, as a matter of fact nobody, that I can name, has begun the sale of any of those lines since the International was formed.

I have never been in the employ of the International. I was employed by the Osborne Company up to the time I went to work for the Moline Plow Company. I testified for the International in the Missouri suit.

In the towns in which we do business we sell our

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- 9 goods on a direct sales basis. In some towns we have two accounts. Our general practice is to sell to only one dealer. I would think that a majority of the dealers in my territory handle International goods.

*Re-direct Examination.*

- 10 Ever since the International was formed, the Johnston and the Acme companies have been selling harvester machinery in competition with the International. It is my understanding that the John Deere Plow Company puts its binder on the market in 1912. I know of no new  
10 company which entered into the business of manufacturing plows in the last 10 years.

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- 95 G. M. MATSON:

*Gasoline Engine Field Open.*

- I reside at New Holstein, Wis. Am vice-president and sales manager for the John Lauson Manufacturing Company; have been vice-president seven years; sales manager something over a year. Have been familiar with its business between nine and ten years. That company has been manufacturing gas engines, and in the early years, boilers, steam engines, and so forth. We dropped boilers around 1906 and 1907. Since then we have been engaged exclusively in the manufacture of gas engines. They are sold throughout the world, 85 per cent. in the U. S. Fully  
96 90 per cent. of our engines sold in the U. S. are for farm use. We build engines from 1½ to 100 H. P. We began manufacturing 100 H. P. engines this year; before that, from 1½ to 50 H. P.

Have been in competition with the I. H. Co. in gas engines since 1905, I believe. Our business has increased since 1905 from 25 to 100 per cent. a year. I should imagine our gas engine business in 1912 was six or eight times the volume in dollars and cents what it was in 1905. It has increased more rapidly since 1905 than before 1905. I sell more in the Central West and East than in the West and South. I sell in every state, more or less, and market through the implement dealer and

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jobber. The jobbers to whom we sell, sell to the implement dealers.

97 To a considerable extent we sell to dealers who handle the harvesting line of the I. H. Co. We have never found that fact an impediment in marketing our goods through them. The competition of the I. H. Co. has been fair and businesslike, in my belief. In my judgment, the field is open and has been open in competition with the I. H. Co. in gasoline engines.

*Cross-Examination.*

Our output in engines for 1912 was around 15,000 H. P.; around 3,000 engines, perhaps. It may be little under; I do not believe it is over 3,000. Do not know how many engines we sold in 1911. We had an increase of something over 50 per cent. in 1912. 1912 was a good year for all agricultural implements, I believe. The 6 or 8 H. P. is possibly the most popular engine we sell. We sell a great many smaller and a number of larger sizes; a good many large portable engines between 8 and 28 H. P.

*Re-direct Examination.*

Our business has increased each year. I believe it has increased more in percentage some other years than it did in 1912. The year that it has increased the most was after 1905.

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618 CHAS. W. McDONALD:

*Business of Sandwich Mfg. Co. in Northwest.*

619 I live at Council Bluffs; my business is in Omaha, am a distributor of automobiles. I have been in that business two years. Prior to that time I handled farm machinery at Council Bluffs, from 1894 until 1910. I was northwestern manager for the Sandwich Mfg. Co. The territory embraced about one-third of Iowa on the west a corner of Southwest Minnesota, the States of Dakota and Nebraska. I had charge of the selling end of the business throughout that territory for those years. From 1902 to Dec. 1st, 1910, I was selling corn shellers, hay loaders, side delivery rakes, hay presses, feed grinders,

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gasoline engines, and farm elevators throughout the territory named in competition with the I. H. Co.

*Competition of I. H. Co. Normal and Healthy.*

620 That competition with the I. H. Co., was normal and healthy and businesslike. Our business grew steadily in those years. Our business naturally and necessarily brought us in contact with the dealers throughout the territory and believe I was familiar with trade conditions in agricultural implements throughout territory I have named during those years. I felt that the competition in the agricultural implement business was open and free.

*Cross-Examination.*

621 My company was an early builder of binders, mowers, sulky rakes and dump rakes. I believe about 1900 they gave up the mower. From 1902 the Sandwich Company did not make or sell binders, mowers, sulky rakes or twine.

In a competitive way according to seasons, we held the opinion and still hold it that binders, mowers, sulky rakes, and twine were not the principal lines of the I. H. Co. There are 12 months in the year.

The lines we manufacture and in which they compete are lines which they begun to manufacture since 1902. They entered our field.

Our company is capitalized for \$750,000, I believe. I am no longer connected with it. I believed we manufactured 400 power corn shellers in 1910 and sold those in the territory I have named.

I should say we manufactured something over 300 hay loaders in 1910 and about the same number of side delivery rakes; about 100 hay presses and about 600 feed grinders and 200 gas engines. All the lines save the farm elevator and the gasoline engine were manufactured by us.

623 There are thousands more mowers sold every year than hay loaders or hay presses. The Sandwich Company is still doing business. I think the International made power corn shellers; they offered them for sale.

*Re-direct Examination.*

624 I took on the sale of gasoline engines for the Sandwich people and at that time the I. H. Co. was in the

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business of making and selling gasoline engines. After the I. H. Co. went into that business in this territory we took them up and went ahead and sold them successfully, and we got the trade that belonged to us. Because the use of the old fashioned horse power had been abandoned we had to find some power for operating our shelling machines; that power is the gasoline engine.

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81 SAMUEL H. MILLER:

*Sieberling & Miller Co.*

I manufacture the Empire mower, reaper and binder at Doyleston, Ohio. The firm name is Seiberling & Miller Co. It has been incorporated since 1901. I have been making binders, reapers and mowers since 1863.

82 At present our trade is mostly in Ohio and Wisconsin and we do some export business. We are not a large company. We had a fire in 1901 and rebuilt again and have gone along since 1902, manufacturing in a small way, binders, reapers and mowers, selling them throughout Ohio, Wisconsin and some other states.

*We Are Small Competitors, But Competition Has Been Fair.*

To the extent that we do business, we do it in competition with the I. H. Co. We realize we are small competitors but we sell where we know that they are in business and do business.

The competition of the I. H. Co. has been very fair and businesslike. As to the field in harvesting machines being open in the last ten years, we have not found anything else but what is fair and open and as fair competition as we have ever experienced. The field is open for us in our business, so far as we know.

Last year we sold from seventy-five to one hundred binders, two or three hundred mowers and about fifty reapers.

*Cross-Examination.*

In 1912 we sold somewhere near one hundred binders. It is probably true that our output is about one-hundredth of one per cent. of the output of the I. H. Co. in binders, but our individual binder is just as big. We claim we make as good a binder as they do. We have not in any

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83 year, sold more than one hundred binders. I suppose the sale of binders of the I. H. Co. is over 100,000. Do not know what their sales were in 1907 and 1908. We made more binders then than we do now. We did not manufacture binders until 1888. Cannot tell what year since then we had our largest output. We made more machines between 1890 and 1900 than we have since. We had a fire in 1901. We rebuilt but have not done as much business as before. We built a better factory. Of course it is new. The other was somewhat old.

We had a larger sale in binders before the I. H. Co. was organized because we pushed them more than we do now. The largest output we ever had in binders was before 1900.

*Sales of Empire Machines.*

This sale of seventy-five to one hundred binders included what we export. We have only one agent in New York on our export trade. They just give us scattering orders. We have no regular organization. Three-fourths of our output of 1912 was sold in this country, or about seventy-five binders.

84 In 1912 our output in mowers was from one hundred fifty to two hundred. Between 1880 and 1890 we made more mowers than we have since. Most of the reapers we make go abroad. There are very few sold here. They are not used here much. Those that we made went to Turkey. The trade in this country is mostly mowers and binders. We sold ten or fifteen in this country.

*Re-direct Examination.*

The fire in 1901 crippled us financially and besides we had grown old in the business. Some of our members are dead, others have moved away. Our president, J. Seiberling and myself control the firm. He lives at Jonesboro, Indiana, and is running a rubber factory. It depends on me at the Doylestown factory. That is the reason it is not pushed as hard.



421 GIVEN MOORE:

*Wood Harvester Co. Find I. H. Co. Competition Fair.*

Was sales manager for the Walter A. Wood Harvester Co. at Hoosick Falls, New York, from 1902 until September 1, 1905. Its business was the manufacture and sale of binders, mowers, rakes and subsidiary lines. During those years the Walter A. Wood Company operated all over the United States. The bulk of our business was east of the Mississippi river.

The company marketed its lines through implement dealers; in some instances through jobbers. The jobbing part was a small proportion of the aggregate. I had charge of the business of the Walter A. Wood Co., so far as sales were concerned throughout the United States in 1903, 1904 and 1905, and was selling their implements in  
422 direct competition with the I. H. Co. We found that competition very fair. Our business grew all the time during those years.

*Moore Co. in Competition With I. H. Co. Find Field Open.*

After I left the Walter A. Wood Company in September, 1905, engaged in the manufacture of manure spreaders and feed grinders at Columbus, Indiana, and we sold them all over the United States, and in competition with the I. H. Co. We have sold, every year, more goods than we could build. Our capital is limited. I am engaged in that business myself now; started a year ago, organized the Given Moore Company; am engaged in the manufacture of feed grinders, manure spreaders, and platform power washing machines. Are just beginning to take on the spreaders. Last year were making the other two lines. We recognize the field as open in competition with the I. H. Co. to sell manure spreaders and feed grinders.

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*Cross-Examination.*

When I was with the Wood Company most of its business was east of the Mississippi. We sold quite a number of binders in the New England states. Cannot give the exact number sold in 1903, nor the approximate amount of our sales in binders that year. Should not think it was less than a thousand for the entire United States; think it was considerably more than that.

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Seymour VanSantvoord, of Troy, New York, was the president of the Walter A. Wood Company when I was there. Danforth Geer was Vice-President and Secretary. If Geer testified (Vol. III, page 305) that the Walter A. Wood Company sold 763 binders in the entire United States in 1904, very few of them were sold west of the Mississippi. I think we sold more than one dozen, could not say positively. At that time the Kingman chain of houses were jobbing our line, and they were pretty big people.

- 424 The factory I am now building is at Spring Valley, Illinois, and am running factory at Columbus, Indiana, the Caldwell Manufacturing Co., making feed grinders and platform power washing machines. Have been making manure spreaders. Am interested in another plant and am not connected with the company now. Have not given up making spreaders. Was vice-president and general manager when I was with that company. Left them last September, a year ago. In 1912 they sold over a thousand spreaders. Did not deliver near that many because of the financial condition of the company. They are still doing business in a small way. Cannot tell how many spreaders they are making this year, am only connected with them now as a stockholder. They have not gone out of business, are running in a limited way on account of their financial condition. I sold about a thousand feed  
425 grinders from Columbus, Indiana, last year. I am going to make feed grinders, power washing machines and manure spreaders. Have sold no spreaders yet, but am selling feed grinders and washing machines all the time.

456 F. LEE NORTON:

*Case Co. Has Found I. H. Co. Competition Businesslike and Fair.*

Live at Racine, Wisconsin. Am treasurer of the J. I. Case Threshing Machine Co. It manufactures and sells threshing machinery, farm engines, internal combustion engines, road machinery, and small agricultural implements to some extent. Small agricultural machinery is a minor part of our business. We make shredders. Our threshing machine and tractor engine business are the main factors, and within the past year we have taken on automobile manufacturing. In the sale of our various

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lines we meet the competition of the I. H. Co. We have  
457 found that competition to be businesslike and fair. The  
business of the J. I. Case Threshing Machine Co. last year  
was a little over \$14,000,000. Outside of road machinery  
and automobiles, the business was in agricultural imple-  
ments. About \$3,500,000 was in automobiles and road  
machinery, and over \$10,000,000 in the implement busi-  
ness. We went into the shredder business about 8 years  
ago; have been in it ever since. The business of the J.  
I. Case Company has been prosperous.

We sell through local implement dealers and to dealers  
who handle I. H. Co. harvesting machinery. As to  
whether we have found the fact that the dealers han-  
dled the I. H. Co. harvesting machinery was an obstacle  
to selling them our implements, I should say no more so  
than any other particular competitors in proportion; like  
the Rumely Products Co., who are perhaps our strongest  
458 competitors. We meet the competition of all these firms,  
and I think it is free and open competition.

*Cross-Examination.*

Threshing machines and farm engines—traction engines  
—make up the bulk of the \$10,000,000 I referred to. I  
have not the figures, but would say over \$3,000,000 was in  
threshing machinery in 1912. The next largest item was  
traction engines. Automobiles and road machinery would  
be \$3,500,000, and the balance would be engines almost en-  
tirely, except some attachments and repair items. By the  
balance I mean the other 7 to 7½ millions. You see thresh-  
ing machinery and automobiles make up perhaps \$7,000,-  
000. There would be repair sales of possibly a million  
and a half. That would be a total of 7½ to 8 millions, and  
the balance would be engines, which are largely traction  
engines. About \$6,000,000 probably would be in traction  
engines.

We do not have large sales of small farm engines.  
We are only entering that industry, which is true of the  
459 gasoline or internal combustion engines. Our competition  
hitherto with the I. H. Co. has been only on the threshing  
machinery which the I. H. Co. has sold, made by the Belle  
City Company, and also on such traction engines as the  
International may sell; and in a small way corn huskers,  
shredders, and some of the attachments that make up the  
thresher rig. I recognize other manufacturers as our

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leading competitors in the particular lines which are our specialties, rather than the International,—the Rumely Co., the Nichols & Shepard Co., the Minneapolis Threshing Machine Co., the Avery Co., the Huber Manufacturing Co., Russell & Co., Aultman-Taylor Machinery Co., the Buffalo Pitts, and a number of other smaller ones in those lines.

## IX

277 HENRY L. PIERCE:

*Minneapolis Manager Emerson-Brantingham.*

278 I live at Minneapolis. I am manager for the Emerson-Brantingham Co. there. The Emerson-Brantingham Co. deals in farm implements, wagons and buggies. Took charge of it a week ago last Monday. Prior to that I was manager for the same firm for three years at Sioux Falls, South Dakota. At Sioux Falls my territory was 12 counties in northwestern Iowa, practically 3 counties in southwestern Minnesota, and all the territory lying south of the Northwestern railroad running through Watertown west to Gettysburg to the river in South Dakota.

In that territory had charge of the sales  
279 of farm implements, and came in competition throughout it with the I. H. Co. in mowers, rakes, disc harrows and steel and lever harrows. We found the I. H. Co. to be as clean competition as any of our competitors and we considered them clean competition.

*Found the Field Open in His Territory.*

In that territory and period I found the field open in competition with the I. H. Co. for the sale of mowers, harrows and hay rakes. I sold in competition with the I. H. Co. to agricultural implement dealers, who, in most cases, handled I. H. Co. harvesting machinery. I did not find that fact an impediment in selling my implements to them.

I was in personal and active touch with the business in the territory, covered part of it myself, traveling over  
280 it. Was fairly well acquainted personally with the dealers in it and their business methods. If the I. H. Co. should say to those dealers that they could not handle I. H. Co. harvesting lines unless they handled I. H. Co.

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goods exclusively, in the great majority of cases they would tell them to take the whole stuff,—all the goods.

*Cross-Examination.*

*Competition with I. H. Co.*

The only things on which we compete with I. H. Co. are mowers, rakes and harrows. The past two years were extremely bad years throughout the Northwest here for the mower trade. In each of the years I had charge at Sioux Falls, I sold approximately 500 mowers in my territory.

281 If the evidence shows that the total sales of Emerson mowers in year 1912 were 9,592, and practically the same for 1911, and the sales in the United States by the I. H. Co. for 1911 were 141,000, for 1910 165,000, then the Standard mower is stronger in part of my territory than it appears from these figures to be in the rest of the country. On part of my territory the I. H. Co. did fifteen or twenty times more business in mowers than we did in those years, on part of it they did not.

In my territory I should say we sold an average of about 150 rakes a year. We do not build side-delivery rakes. The sales of I. H. Co. rakes in my territory were many times 150. In volume of business would say that the mowers and rakes are two of the smallest lines carried by the Emerson Co. Our principal line is plows and the I. H. Co. does not compete with us on that. Of those articles I have named as competing with the I. H. Co., the harrows would not be among our principal lines.

282 We do not compete with the I. H. Co. on any of our principal lines except mowers. The mower is the article upon which we had the largest competition with the I. H. Co. in the Sioux Falls territory.

I know of companies other than the I. H. Co. which pursue the policy of dividing their lines among several dealers in a town. The majority of the big jobbers or wholesalers who sell a full line of goods to-day do that. There are towns in which we have two dealers; I would say off-hand probably 25 such towns. We do not have different brands of the same thing. When we sell to different dealers in a town certain machines we sell different kinds of machines to the different dealers. I do not know of any

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manufacturer other than the I. H. Co. which has same machine practically manufactured under different trade names and apportions these trade names among the different dealers. Was never in the employ of the I. H. Co.

At present we manufacture and sell gas tractors. Our lines in the order of their relative importance are plows, 283 buggies, wagons, disc harrows, cultivators, mowers, rakes, gas tractors, engine plows, gas engines, side-delivery rakes and a whole lot of other small tools such as the steel lever harrow, wood lever harrow and flexible harrow.

*Re-direct Examination.*

Cannot say as to whether it is the general practice of threshing machine companies to have two lines of threshers and place them with two dealers in a town. That is one thing I left out. We have threshers now. Our line has increased so in the last year that I am not thoroughly familiar with it. The crop conditions affect the volume of business done by implement manufacturers. In the last couple of years business has decreased in the mower and implement business of all lines. Taking into account the necessary result of bad crop conditions of those two years, our business in that territory was satisfactory.

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377 S. D. PORTER:

*Acme Harvester Co. Business.*

Was general manager of the Acme Harvester Co. at Peoria in 1904 and 1905. In 1906 was general manager and president; it was run under the direction of the 'Creditors' Committee first two years, and as a reorganized going institution the third year.

We sold our machines throughout the U. S., Argentine Republic and Continental Europe. The domestic trade was west of the Mississippi River, excepting a little in Illinois at a few points, and Evansville, Ind., and one contract at Columbus, O.

When I took business it was in the hands of the Creditors' Committee. We put out about 1000 binders the first year and it increased a little in the 3 years; we got out about 1800 the third year. In those 3 years were in competition in binders, mowers and rakes with the I. H.

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Co. and sold our machines through local implement dealers.

*Salesmen's Misrepresentations Corrected by Company.*

378 I found occasional instances where traveling salesmen of the I. H. Co. had indulged in practices that were un-businesslike in that competition. Could not say exactly how many instances. Three were serious; they were making statements about my company's financial condition to the detriment of our sales.

When I found that out I came to Chicago to A. E. Mayer, general manager, whom I had formerly worked for in the old McCormick Co. I told him of the conduct of the men in these three instances; that they were using unfair means to kill our business, and asked if it was by his authority. I learned that it was not by his authority.

He did what I asked him in two instances and in the other instance the headers were already delivered, and 379 it was too late.

*Did Not Find I. H. C. Exclusive Contract Operative.*

We sold the output of our plant in competition with the I. H. Co. during those 3 years to local implement dealers; in a number of instances through dealers who were handling and selling International harvesting machinery. We did not find that the exclusive clause which was in the I. H. Co. contract in 1904 operated to prevent the dealers from taking our line in connection with I. H. Co. lines, for we marketed through the same men.

*Cross-Examination.*

380 I was for many years an employe of McCormick Co. I remained an employe of I. H. Co. until Jan. 12, 1904.

I went directly from the I. H. Co. to the Acme Harvester Co. There were bankruptcy proceedings pending, but the Acme Co. was never declared a bankrupt. It was in the hands of a 'Creditors' Committee. During the time I was with the Acme Co. I endeavored to sell that property to the International.

Mayer, respecting whom I testified on direct, was a man with whom I had been associated many years; both of us worked for McCormick Co. Mayer had been with 381 McCormicks 20 years or more; I, a little over 16 years. The Acme Co. manufactured about 1,000 binders the

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first year (1904). Our business in the U. S. was almost entirely in territory west of Mississippi. Well, outside of the United States also—in South America and in Continental Europe.

I left the Acme Co. Jan. 31, 1907, having brought it out of absolute insolvency, reorganized it and was president.

P. P. Cooley, and not P. D. Middlekauff, was my successor. He stayed in about a year, I think, and his successor was Middlekauff.

The three instances which I deemed unfair competition by the I. H. Co., and went to see Mr. Mayer about, were our agent at Alva, Okla., Holyrood, Kas., and Madison, S. D.

382 I complained about the International traveling men who were circulating rumors that we were insolvent, unable to supply machines or repairs.

The man at Alva was W. C. McDill. Do not remember the names of the men at Holyrood, Kas., or in South Dakota. The latter was general agent. The reports which these men were circulating were injuring our business.

*Re-direct Examination.*

I was subpoenaed by the Government to testify as a witness in this case at St. Louis. I presume I told the fact that I testified to here to counsel for the Government. Have been pretty free in explaining to both sides that I did not want to get into it—and I see I am here.

*Re-cross Examination.*

Cannot answer positively that I mentioned these three men circulating these reports, to Mr. Darling, but I think I did.

383 Am general manager for the American Milling Co. now. I might have stated to Mr. Darling that my reluctance to testifying for the Government in regard to some of the confidential matters in which I was advised, was because of the large influence and power of the I. H. Co., and I did not want to incur their enmity and hostility by testifying. Would not want to swear positively that I did so state.

I have stated very frankly to both sides that I was an unwilling witness.



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216 ROBERT H. PROCTER:

*Business of Rock Island Plow Co. in Northwest.*

I live at Minneapolis. Am manager there of the Rock Island Plow Co. Have charge of the territory including 20 counties in Wisconsin, the state of Minnesota, excepting southwestern counties, the whole of North Dakota, all of Montana. The business of the Rock Island Plow Co. is the sale of agricultural implements. Have been manager there since January 1st. Prior to that I held position of assistant manager for 4 years for the same territory. Prior to that was traveling salesman for the Grand DeTour Plow Company, of Dixon, Illinois for four years.

*Field Open; Competition of I. H. Co. Very Good.*

In traveling for that company I came in competition with the I. H. Co. in the agricultural implements, mostly in disc harrows, drag harrows and wagons. In managing the business of the Rock Island Plow Co. I came in competition with the I. H. Co. in harrows, drag harrows, manure spreaders and wagons. As assistant general manager of that company was in direct touch with its business throughout the territory, and as general manager have supervision of that business. The competition of the I. H. Co. is very good. I have found the field, generally speaking, good and very fine, in the territory named, and open for competition with the I. H. Co. in those implements. Business has been successful and growing all these years. I have always solicited the sale of those implements with the best possible implement dealers. A great proportion of our sales were made to dealers who handled the harvesting lines of the I. H. Co. It was no impediment to our selling to the dealer that he handled the International harvesting lines. I know the dealers pretty well throughout the territory and their method of doing business. They are merchants handling agricultural implements.

If the I. H. Co. should adopt and enforce a policy of saying to the dealers throughout that territory that they could not handle harvesting lines of the I. H. Co. unless they handled their long line exclusively, I think that would be absurd. The dealers would take no notice of it. The many men I have spoken to in the implement business,

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in referring to any matter of that kind would take their own stand; simply tell the Harvester Company to get out of the way. That would be true indeed of the great percentage of dealers.

*Cross-Examination.*

The principal line of manufacture of the Rock Island Plow Co. is manure spreaders, drag harrows, disc harrows, all kinds of lever harrows and plows. In many towns we sell nothing but lever harrows; the plow is our main standby. I would not say that our business has been built up around the plow. I believe we have had a bigger sale in certain sections, prior to the last three years in disc harrows and drag harrows than in the plow. Our biggest line of business today I would say would be drag harrows and disc harrows. I think about 40 per cent. of our total business in my territory is in plows. Of course we job goods. 40 per cent. of our business in our territory is plow goods, 50 per cent. harrows, 10 per cent. manure spreaders. We job buggies, wagons and hay tools. Plows and implements were the principal line of the Grand DeTour Plow Co. while I was with them. The only implements they sold in competition with the I. H. Co. were wagons and harrows. During the entire period I referred to I had no experience selling harvesting machinery. None of the companies I have been with ever competed with the I. H. Co. on harvesting lines. The I. H. Co. has not competed with us on the sale of plows, though it has on harrows and manure spreaders. I do not know of any other company than the I. H. Co. that manufactures the same things and gives it several trade names and distributes that implement with the different trade names to the different dealers in a town.

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117 G. W. RENYX:

*Omega Separator Co. Finds Competition Fair.*

I have been secretary and manager of the Omega Separator Company at Lansing, Michigan, since its organization. It has manufactured centrifugal cream separators upwards of ten years. My company has

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118 sold its separators to the Rumely Products Company, since October, 1912; prior to that to jobbers, and to retail implement dealers in the surrounding states from Michigan. Where it was too far away we sold to jobbers. We sold to retail implement dealers who handled International harvester lines. The fact that they handled those lines did not to my knowledge, in any way interfere with the sales of our cream separators. We have always found the competition of the I. H. Co. fair and businesslike. We have been in competition with it in one way or another ever since the I. H. Co. was organized. They began making cream separators about 6 years ago.

The business of the Omega Separator Company increased up to 1907 and 1908, then it fell off decidedly because the line of goods was not as good as it should have been. Then we changed the line and from that time the increase has been very pronounced. We took care of defects in the cream separator. We did not buy another line or change our business. This increase since we got a satisfactory separator has been constant and steady. This year we will produce about 10,000 cream separators.  
119 Last year we produced about 5,000 and the years before 3,000.

*Cross-Examination.*

We sold about 5,000 cream separators from August, 1911, to August, 1912, practically all in the U. S. From August, 1910, to August, 1911, about 3,000 or 3,500. I have charge of the sales and the manufacture. We sold 3,000 separators in 1910. The cream separator we sell is not of the same general type as the Blue Bell and the Dairy Maid, made by the I. H. Co.; the construction is altogether different, the results obtained are the same. The International are centrifugal.

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549 G. M. ROBINSON:

I reside at Sterling, Ill. Am president and treasurer of the Charter Gas Engine Co. We have been making gas and oil engines approximately 30 years. We built  
550 the first gasoline engine of the world in 1883. Anybody in

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the gasoline engine business has come in competition with us.

*Field in Gasoline Engines Open and Fair.*

We have been selling gasoline engines throughout the U. S. through farm implement dealers for the last 10 years. We sell engines suitable for farm purposes. The I. H. Co. has been in competition with us. We have found that competition to be fair and businesslike. A large proportion of the implement dealers who sell our stock handle International harvesting machinery. We have not found that fact any obstacle to selling to such dealer our gasoline engine in competition with International. The field in competition for the sale of the gasoline engines with I. H. Co. has been open and free for the past 10 years.

*Cross-Examination.*

Our company makes gas engines from  $1\frac{1}{2}$  to 100 H. P.;  
551 The largest number are from 20 to 100 H. P. We do not make great quantities under 20 H. P. That used to be our most popular size, and yet we tried to sell large engines constantly. I believe I. H. Co. sells engines principally under 20 H. P. We are not largely in competition with the I. H. Co. on the large engines. I guess we sold in 1912 100 to 200 engines under 20 H. P. I do not know whether the International sold nearly 40,000. I presume it is true our output of small engines is infinitesimal compared with the I. H. Co. engines under 20 H. P.

My company has no contractual relations with the I. H. Co. We furnish it an attachment which it does not build. I could not say what this business amounts to in dollars and cents, this relation has been established considerably less than a year. We make this attachment for  
552 their large and small engines. We have sold between 20 and 30 of these attachments to the International. That is all the business we have had with the I. H. Co.

*Re-direct Examination.*

We have developed a new and successful large engine, and are bending our energies in the development and sale of that special type.

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9 DR. EDWARD A. RUMELY:

*Machines Manufactured by Rumely Co.*

The M. Rumely Co. has for some years been manufacturing and selling implements in competition with the I. H. Co. Five years ago we sold only threshers then being dealt in in a small way by the I. H. Co. Four years ago we undertook the manufacture of internal combustion engines in place of steam engines, and in internal combustion engines (traction plowing engines) the I. H. Co. was our strongest competitor. Subsequently we have added stationary engines, cream separators, and other articles in which the I. H. Co. deals. These latter articles were added within the last two years.

We entered upon the manufacture and sale of internal combustion tractors, about the same time the I. H. Co. did. Since then have gone into the business of jobbing cream separators and manufacturing stationary engines.

*Encountered No Unfair Methods in I. H. Co. Competition.*

As to how I found the competition of the I. H. Co.—whether it was businesslike and fair, will say my views on that have changed very materially. Five years ago I doubted seriously whether a concern of the size of ours, could enter into active competition with a unit so well organized and thoroughly established as the I. H. Co. I hesitated some time to urge our Company to embark on a policy of expansion. When we got into the tractor business we found that although our principal competitor was the I. H. Co., we could increase sales materially and find a market for all the stuff that we could build in the traction engine line.

Our output in tractors has run about equal with that of the I. H. Co. in dollars and cents; the number may be from 10 per cent. to 20 per cent. less than theirs. Our engines are a little more expensive; we get slightly higher prices for them. After going into the manufacture and selling of tractors in competition with the I. H. Co. we kept on a par of equality, so far as volume of trade was concerned. Our sales in the other lines have increased. In cream separators, we are selling this year, probably three and a half times as many as we sold last year. In stationary

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engines we found it easy to build up a market of substantial volume.

- 11 We sell our implements to local retail dealers throughout the country. He is an important factor in our business. Between 25 and 75 per cent. of our dealers I should think, are also agents of the I. H. Co. As to whether we found the fact that dealers were handling the I. H. Co.'s goods, an obstacle to our selling our articles to them, will say we have found them free. We found dealers measured up the price and terms upon which we could sell a tractor and the terms and the price upon which the I. H. Co. could sell them and the ease with which ours could be sold; we had to match what we had to offer against the I. H. Co. in the same line. To that extent naturally it was more difficult than if the dealer had no other tractor to get. We felt that that was legitimate competition. We have found the fact that the dealer handled the Harvester Company's implements no obstacle to our inducing him to handle our tractors. We found the competition of the I. H. Co. as we met it, businesslike and fair and have encountered in the three or four years no unfair practices that prevented our getting the business that we desired to get.

*Cross-Examination.*

- 12 It is a fact that whatever the character of competition we met with the I. H. Co., our company got into serious financial difficulties in the last year. They have had grave problems of the kind that occur in every implement business. It is a fact that the gentleman who was general manager of the I. H. Co. during the period of competition I described, has left the I. H. Co. and is now the President of the Rumely Co. There has been no curtailment or change in the methods of sale or manufacture in the Rumely Company since the change in the organization, except such as has been planned earlier in the year, before the change. The problem of the Rumely Company was that it increased its business so rapidly that its capital did not suffice to swing the larger volume of business and necessitated our taking less volume than we had started to get. Not looking ahead for a period of two or three years, but for the current year, with the adverse financial conditions, the company

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is holding itself within certain limits. The expression "a policy of curtailment" implies something that is to be carried on for a period of time. That is not a fact. At present, the fact is, that we are curtailing and have curtailed.

The principal lines of the Rumely Co. with respect to which we have curtailed the sale, is the large increase in the number of tractors we contemplated manufacturing this year. I mean internal combustion engines and traction plows which we started to manufacture four years ago. I stated that when we started to manufacture them we found the I. H. Co. our principal competitor in that line. As to whether the I. H. Co. has curtailed its sale and manufacture of the traction plows, will say that the tractor business for all companies, not only the I. H. Co., is slow; all concerns manufacturing them find themselves with surplus tractors on hand, due to financial conditions. Little new land is being opened, or little new money is going into the breaking up of prairies, and that affects the tractor market immediately.

- 13 The Rumely Co. had manufactured a larger volume of stuff earlier in the year than in other years and it is closing down some of its plants because it has the year's output today. In all other lines we are selling a larger output and have manufactured a larger output than we did last year.

*Rumely Co. Has No Business Relation With I. H. Co.*

I do not know that the Rumely Company gets any of its loans from bankers who also loan to the I. H. Co. directly, but presume from the fact that the Rumely Company gets loans from the principal banks of the country that are also lenders to other borrowers, there may be some of the banks at which the Harvester Company also does business. The Rumely Company has no business relations, direct or indirect, with the I. H. Co.

*Re-direct Examination.*

The fact is that the financial trouble of the Rumely Co. is because we did too much business for our resources. Two years ago the combined companies, that is the Rumely Company with the companies whose assets were purchased did \$10,500,000; in 1912 \$17,500,000, and we started in to take \$24,000,000 of business this year, but

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that involved the use of more capital than our company was able to command.

- 14 In our experience the easiest end of the business was to get the volume—no trouble to sell. We found it necessary to select two and in some cases three dealers in the same town and give each a separate line. That applies to threshers, tractors, stationary engines, corn shellers and as much of the smaller stuff as we could furnish. We have done that for two years.

*Re-cross Examination.*

We did not manufacture a much larger output of tractors and tractor engines than we can sell. I presume all the stuff, according to the best estimates that we have at the present time, that we manufactured for the current year, will be taken in the current year, but we manufactured our tractors much earlier than in previous years, expecting a big spring trade. This did not occur this year in tractors, which gave us a stock on hand which will have to be sold in the fall months. As to whether one of the troubles was that we had a larger stock of very expensive implements on hand than we could sell will say, that was the case three months ago, but our problem at the present time, excepting in tractors, is getting the goods to the field fast enough to meet the sales demand.

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## 222 CHARLES M. SATTERFIELD:

*Makes Competing Harrows and Wagons and Sells I. H. Co. Binders and Mowers.*

Am in the implement business, vehicles, blacksmithing, wheelwrighting and wood-working business at Chestertown, Maryland.

We make wagons and peg-tooth harrows, and in a limited and local way are in competition with the I. H. Co. We find a market for our make of wagons, and peg-tooth harrows. As a matter of fact we have absorbed the market there pretty well. Other shops there make the peg-tooth harrows in that section. The International has the zero there. The same thing is true about wagons. There are no International wagons sold at Chestertown. There



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224 is one other wagon sold there. It is the Old Hickory, made by the Kentucky Wagon Manufacturing Co.

*Cross-Examination.*

We manufacture and sell about 25 farm wagons and about 25 to 35 spring wagons a year. We are not a very large competitor of the International, but locally we are, if they make 100,000, they could not sell them here. We make about 25 peg-tooth harrows a year in our shop, but harrows are made in other shops in that locality. The local trade is all supplied by the shops there. We are a local agent for the International. We handle International make of binders and mowers—the McCormick.

366 WILLIAM SCHREIBER:

*Competes with I. H. Co. in Wagons.*

Am a manufacturer of farm wagons, buggies, etc., at Chariton, Iowa. Have been in wagon-making business for 367 32 years. It has been steadily increasing in the last 10 years. My market is largely local; the business is done around near my factory.

I estimate that about 70 per cent. of the wagons sold in my county are of my manufacture. I sell some of them to dealers in farm implements, who handle I. H. Co. harvesting machinery. I have not found the fact that the dealer was handling I. H. Co. binders and mowers any obstacle, that I know of, to selling him my wagons.

Have found the opportunity open in that territory to go on with my wagon business. To the extent that I do business, I do so in competition with I. H. Co. and other big wagon manufacturers. Have made a success of my wagons and sell all that I make. Have gone along in conservative way—not beyond our capital. Could have sold more wagons if had had opportunity or means to make them. By opportunity I mean as to our means, which 368 are somewhat limited. The opportunity was there to sell if I had had the means to expand and make more.

*Cross-Examination.*

In 1912 made pretty close to 200 wagons—about the largest number we ever made. They were sold in my

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state and mostly in my county within a radius of 40 miles of my factory.

As to how many vehicles were carriages, will say we make in the neighborhood of 300 and 400 vehicles altogether, and 200 were wagons.

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63 PAUL F. SCHRYER:

Am secretary and general manager of the Rawleigh-Schryer Company located at Freeport. Have been connected with it since 1909. Prior thereto was vice-president and superintendent of the Stover Engine Works at Freeport. Was connected with that company from 1895 until 1909. The Stover Engine Company built gasoline engines, stationary and portable, mostly for farm purposes, from 1½ to 50 H. P.

*Engine Competition of I. H. Co. Fair and Legitimate.*

My experience with the Stover Engine Company gave me a knowledge of the conditions in the gas engine trade. While I was with that company we competed with the I. H. Co. in gas engines, since that company entered that trade in 1905. The competition of the I. H. Co. was fair.

I left the Stover Company in 1909 and started in business for myself manufacturing gas and gasoline engines and put my own money in the business. It was started as the Ziegler-Schryer Company; since changed to the Rawleigh-Schryer Company. It sells stationary and portable engines for farm purposes from 1½ to 25 H. P. The company built a plant, starting in 1909, and we are still building it, expanding from year to year.

We market our products through jobbers in this country, and have some sales in Canada and some foreign trade. 90 per cent. of the sales are domestic. The business has been growing. We did not start to manufacture engines for the market until the fall of 1910. Our sales for that year amounted to about \$30,000 on gasoline engines alone; in 1911 approximately \$98,000, and in 1912, \$181,000. We find the field open for the manufacture and sale of gasoline engines in competition with the I. H. Co. I have always considered that competition fair and legitimate.

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*Cross-Examination.*

In 1912 our output was in the neighborhood of 2,400 engines. The most popular size was about 6 H. P. Can't tell how many we sold of that size, it was more than half our output. I judge the Stover Company made 4,000 or more engines the last year I was with them. Its most popular engine was about 6 H. P. Could not state their output in 6 H. P. engines the last year I was with them. I think the I. H. Co. makes more small engines for farm use than any other company in the United States, and I understand their specialty is the small engine.

I have absolutely no business relations with the I. H. Co., nor has my company.

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67 S. M. SELLERS:

Have been in implement business in some capacity continuously since 1884. Was with the Syracuse Plow Co., Moline Plow Co. and the Eastern Moline Plow Co. Prior to that I was with J. W. Lingo at Lebanon; back of that with the Houston Co. of South Charleston. I traveled in Ohio, Indiana, eastern Kentucky and Michigan, as a general traveler for the Moline.

*Nothing Unfair About I. H. Co. Competition.*

70 When I was selling the Syracuse Plow Co.'s goods between 1904 and 1910 some of our lines were competing lines with the I. H. Co., but not to a large extent. The Syracuse was not a strong concern on disc harrows, but was particularly strong on spring tooth harrows. They also made a five shovel cultivator, a competing line. Our goods were marketed through dealers; we sold straight out and made no consignments. We sold to dealers who handled International goods. I did not find that fact any impediment to our dealing with them, only when

71 some fellow had a hold strong enough that I couldn't get him. There was nothing unfair about their competition. They had dealers that I could not reach; that was true with other lines as well. Every manufacturer has dealers who are particularly devoted to his line and other manufacturers cannot always get them. I think there is no difference in that respect between the International dealer, John Deere or Oliver dealer. The Oliver has per-

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haps got them a little harder than anybody else in the world.

The business of the Syracuse Plow Co. in the lines I mentioned as a general proposition grew steadily in the territory I controlled. I would not attempt to detail what the different items were.

*Cross-Examination.*

If a manufacturer has one strong line it is helpful to him in selling others. Most dealers carry some harvesting machinery, but a good many do not touch the binder, though they carry the mower. I speak of the territory with which I am familiar—Ohio, Indiana, Central and Southern Michigan and Central and Eastern Kentucky. There is probably no class of implements, unless it is threshers, where one company holds as large a percentage of the total production as the I. H. Co. does in harvesting implements. In number sold the sale of threshers is small compared to binders and mowers; in volume of trade it comes perhaps well toward it.

## 498 WILLIAM I. SHAW:

I was sales manager of the Walter A. Wood Company from 1907 until five weeks ago. I succeeded Given Moore. I had charge of sales in the American trade, which were made through a direct organization east of the Mississippi river and through jobbing houses west. I extended the trade in the territory east of the Mississippi during those years, and during all of that time sold our goods in competition with the I. H. Co.

*Considered I. H. Co. Competition Fair.*

We were in the harvesting machine business and competing with the I. H. Co. We considered that competition along business lines and fair. During the time I was sales manager of the Wood Company the business grew. We did all that our capital would permit; that was the only limitation. We extended our business between the Alleghenies and the Mississippi river. Ohio is one of the states in that section. The growth of the business of the Walter A. Wood Company in that state from 1907 until I left it in 1913, was from \$175,000 to \$200,000. When we started in to exploit the Ohio territory in re-

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cent years we had \$25,000. Last year we had, I should say, practically a quarter of a million.

*Cross-Examination.*

Danforth H. Geer is president of the Walter A. Wood Company. I cannot say how many of the binders sold in 1907 and 1908 were west of the Mississippi river. It  
501 was a very small number. I could not state without looking up the data what per cent. of our sales of binders and mowers were west of the Mississippi river. I would say it was less than ten per cent.

Walter A. Wood took on the sale of other than harvesting lines in the years I was connected with them. They took on engines, spreaders, grain drills, binder twine and farm wagons. The figure of \$250,000 I gave for our Ohio sales in 1913 included the articles I have named. That year has not yet ended. Could not say what per cent. of the \$250,000 will be in binders, mowers, rakes and twine. Cannot approximate it. I follow the sales of the com-  
502 pany. The per cent. of it in those things will be more than 25. As to whether half of it is in those articles, do not want to make an estimate.

I am practically in no business now; I am learning one with the Rumely concern. Could not say it is probable I will become associated with that company. I know Mr. Funk, formerly general manager of the I. H. Co. He is now president of the Rumely Company. He did not ask me to testify in this suit. Dr. Rumely asked me to testify, yesterday morning.

Mr. McLean succeeded me with the Walter A. Wood Company.

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91 C. E. SHELDON:

*Business of Whitman and Barnes Manufacturing Co.*

Reside at Akron, Ohio. Am president of the Whitman & Barnes Manufacturing Co., manufacturers of agricultural supply parts and machinists' supplies. Have been president since 1900 and with the present firm since 1877; with their predecessors for 46 years. The business has  
92 been carried on since 1846. One plant is located in Chicago; one in Akron, Ohio, and one in St. Catherines, Ontario.

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The things my company make which are also made by the I. H. Co., are what we term cutting apparatus and supply parts to that apparatus, for all kinds of harvesting machines, including binders, mowers, reapers and headers. The entire amount of our business in all lines is about two millions and a half, dependent upon trade conditions. About 25 per cent. of that business is in the United States.

*I. H. Co. Competition Reasonable and Fair.*

Am acquainted with the competitive business of like articles made by the I. H. Co. We have found that competition very reasonable, businesslike and fair. Walter A. Wood Harvesting Machine Co. and the Adriance-Platt deal in harvesting machine parts for machines other than the ones they make. We make these parts of the cutting apparatus for all machines of all brands that are made or used in the United States. That has been the business of my company, to my knowledge, since 1877. The I. H. Co., makes only these parts for its own machines.

*Cross-Examination.*

Our company never manufactured complete machines, binders or mowers. The statement on page 395 of the Implement Blue Book for 1912 is a correct statement of the lines of implements manufactured by my company for that date, but not today. We have given up some of the lines there mentioned. Said statement is as follows:

Whitman & Barnes Mfg. Co.—Mowing Machines, Knives, Reaper Sickles, Sickle Sections, Guards and Guard Plates, Spring Keys and Cotters, Twist Drills and Reamers, Wrenches, Lawn Mowers, Cultivators, Hay Carriers, Belting, Mechanical Rubber Goods.

Witness: We have dropped mechanical rubber goods. We sell I. H. Co., some machinists' supplies. Cannot answer offhand how much business we do with the I. H. Co. We furnish them twist drills and wrenches and keys and cotters. It would be impossible for me to state them all. Our business with them is a very small part of our sales. Our account with the I. H. Co., for 1912 for what we sold them was from \$40,000 to \$50,000. I do not know whether we sold them the same amount in 1911; possibly we did. We did business with them in 1910 and are doing business with them now.

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We do not buy a lot of mower knives from any other company. One article we do not manufacture is files. They are sold under our brand.

*Re-direct Examination.*

We do not make canvases for binders now—we used to—nor do we sell them now. Besides Pitman straps, connected to the lever that runs the knife, the only things relating to harvesting machinery which we make are those that go to the construction of the cutting apparatus. We make and sell all parts of the cutting apparatus on all machines that are made and sold in the United States, both binders and mowers.

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506 S. P. SHELLY:

I live at Toledo, Ohio. My business is farming and manufacturing. My attention is given mostly to farming.

*Tiffin Wagon Co.'s Business Growing.*

I have been interested in the Tiffin Wagon Company of Tiffin, Ohio, eleven or twelve years. It manufactures wagons, some corn shellers, a few bob-sleds, sprinklers, flushers and carts. Those wagons are sold in competition with the I. H. Co. We make from three to four thousand wagons a year. When I first was connected with the Company, nine or ten years ago we did not make, perhaps, over 1,000 or 1,500 wagons. The business has been growing during this ten years. Am acquainted with its conduct. Am quite a heavy stockholder and know what the company is doing and its business operations. I get its statements.

507 The wagons of my company are sold in competition with those of the International. I suppose we would strike them in almost all territories. We sell in New York, Pennsylvania, Ohio, Indiana, Southern Michigan, Illinois and through the West.

Q. Is that competition fair or otherwise?

(Objected to; witness not qualified to answer.)

A. Yes, sir, I have always understood it was fair and businesslike.

508 I go over to the office of the Tiffin Wagon Company once and a while and talk to my cousin, who is general

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manager. He has told me a great many things. I do not sell any wagons nowadays but I am in close touch with it. Own about one-third of the company and am a director and treasurer. It is a close corporation. Three of us own it. Ten or eleven years ago, when we started, I sold some of the wagons when I had time away from my other business. Was in closer touch with it then than now. I know what is going on. I look after my interests in consultation with my cousin. My son goes down there every month. I talk with him about it.

*Cross-Examination.*

514 W. K. Shelly is in active charge of the sales of the Tiffin Wagon Co. I expect he would be better qualified than I am in respect to competitive methods of other companies although I know considerable about it.

We sold between three and four thousand wagons in 1912. Cannot give figures nearer than that. Did not sell as many in 1911.

479 GEORGE H. SIMONS:

I am a real estate, insurance and investment broker at Niagara Falls since 1912. Between 1903 and last fall was in the harvesting machine business; with the Warder, Bushnell & Glessner Company, about 7 years, from about 1881 or 1882 until 1890; from 1890 to 1891 was with Phelps, Dodge & Palmer Company; that was a boot and shoe house, and I was their credit man. Following that for two years I was with Kingman & Company, Peoria—an implement jobbing house, and after that with the Deering Harvester Company for about 9 years, between 1892 or 1893 until 1900. From 1900 was with the Plano Manufacturing Company, and the Plano Division of the International for two years. Next I was domestic sales manager for the Adriance-Platt Company of Poughkeepsie, 480 N. Y., from 1903 until 1912, last fall.

*Reasons for Lack of Expansion of Adriance-Platt.*

The Adriance-Platt Company was selling its products in Ohio and territory east of that, and as far south as and including Virginia. It operated in the central western grain-growing region only in a jobbing way. They had



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two jobbing connections on the Coast, and a limited one in St. Louis.

The reasons for the lack of expansion and development of the Adriance-Platt in the binder and mower lines between 1902 and 1911 or 1912 were, first, my recollection is, 1902 was an exceptionally heavy year in the sale of harvesting machinery. All companies had a very large trade that year. The Adriance-Platt sold something like 6000 mowers in 1902, which was a very large sale for them. The lack of increase in sales was due to the fact that their binder was not adapted to the country where they would naturally look for their increased trade. Their machine was a right-hand binder, and the Ohio and western trade, and some parts of the east, required a left-hand binder. They afterwards built one, but it took several years to develop the left-hand binder. It was put on the market for four or five years in a limited way, but it was hardly perfected until about two years ago.

481 As to the reason for the trade requiring a left-hand binder, as a matter of binder history (objected to as immaterial) the McCormick and Deering companies had a trade war on the question of right and left-hand binders, the McCormick trying to push the right-hand binder, and the Deering the left-hand binder. The result was when they got through, the trade had settled upon the left-hand binder, especially in the west, and that was what the trade demanded. It was difficult to sell the right-hand binder after that.

During all the time I was sales manager for the Adriance-Platt Company I recognized that fact, and that was the reason for the development of the left-hand binder.

Another reason for the failure of the Adriance-Platt business to expand in harvesting lines more rapidly, was that in 1907 they quite materially cut down their selling expense, have forgotten the figures, should say 30 per cent. of their appropriations for pushing sales. That was in the panic year, and their sales were naturally limited and curtailed. Their prices were usually a little higher than the International. Their business in binder twine had practically doubled during the time I was sales manager. We sold Plymouth twine.

In a general way was familiar with conditions in harvesting trade through which the Adriance-Platt product was sold from 1903 to the fall of 1912. Except in the west

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482 where we had jobbing connections, we did a commission business largely; our goods were sold through local agents under commission contract. That has been the custom in the harvester trade with most companies since 1882, and is the general rule.

I am not familiar with the Pacific Coast, as to whether the rule has been the other way there. During the time I was with the Adriance-Platt Company was in a general way familiar with the competitive methods and practices of the I. H. Co. It was very keen, sharp competition, but I think it was businesslike and fair.

The limitation in the territory in which the Adriance-Platt machines were sold was due to the policy of the company, which was not a policy of expansion. They had a growing foreign trade and their capital was limited.

The Adriance-Platt Company could have increased their domestic trade, in their lines, if they had adopted the policy of expansion and had larger financial resources which could have been devoted to it.

483

*Cross-Examination.*

The Adriance-Platt Company was not doing any binder or mower business in the Central West, except through a jobbing house in St. Louis. The sale of the binders and mowers in those states was very small, practically nothing on binders, very little on mowers. Those are the states where there is the greatest sales of binders and mowers.

Was familiar while with the Deerings, Plano and Plano Division of the I. H. Co. with the names of the manufacturers doing business in those central states.

484 Think the trade of the Walter A. Wood Company was small in the central west. Am not as familiar with that as would be with trade farther east. The Deering and the McCormick were the leaders in harvesting implements in the central west, including Minnesota, North and South Dakota, Iowa, Illinois, Michigan, Wisconsin, Kansas, Oklahoma and Missouri in 1901 and 1902. The Champion would come third, and then Milwaukee Harvester Company. The Plano and Milwaukee were about the same, I should say. Then the Osborne, and the Johnston Harvester Company and the Acme. Most of the business was done by the McCormick, Deering, Osborne, Plano, Champion and Milwaukee.

VII

17 C. S. SLAKER:

I live in Kansas City, Missouri; am manager for the Sechler-Janesville lines of agricultural implements. My territory covers Western Missouri, Kansas, and Oklahoma. Have been manager three years and seven months.

*I. H. Co. Competition Fair and Normal.*

In that period we have come in competition with the International in respect to the sale of harrows, wagons, manure spreaders and planters. We have found the competition to be just the same as any other competition. It is fair, normal and businesslike. Our business has prospered. In most instances the sales we make are to dealers who handle harvesting machinery of the International. We have found that no impediment to the sale of our goods. We sell in competition with the I. H. Co. I am generally and widely acquainted with the dealers in the territory I have named. If they tried to coerce the dealers in this territory the dealers would tell them to get out.

I have been in the business of selling agricultural implements for 28 years and am familiar with the business in the territory I have described.

19

*Cross-Examination.*

The Moline Plow Co., the Acme and the Independent Harvester Co. are going into the harvesting machinery business. I do not know just how many years the Acme has been in business. I never saw any binders sold by the Moline Plow Co. or the John Deere Co. Our principal lines are small tool lines, plow lines, planters and vehicles. The International does not make plows, which is our principal line. The International has just commenced to sell planters, as I understand. I do not remember just how many farm wagons we sold last year, but we increased very much over the year before. We probably sold from 300 to 500 manure spreaders in 1912. In describing the competition which we have with the International, I refer merely to wagons, manure spreaders and disc and lever harrows. We have two dealers in a town sometimes, but we do not sell to all the dealers. We have not a large enough line.

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249 J. F. SMITH:

*I. H. Co. Competition Helpful to Gas Engine Trade.*

- 250 I reside at Freeport, Illinois. Am president and manager of the Stover Engine Company, which has manufactured gasoline engines since 1896. We have sold those engines in competition with the I. H. Co. ever since that company entered upon the manufacture and sale of gasoline engines, about six or seven years ago. We sell our output all over the United States. Some sections are not closely covered, but we aim to do business throughout the United States. Wherever we have done business in the last six or seven years it has been in competition with I. H. Co. We sell largely through jobbing houses and in some territories direct to dealers. The field in the sale of gasoline engines is open to sell in competition with I.
- 251 H. Co. My business has increased constantly. I found that with the advent of the I. H. Co. into the business there was an increased demand owing to the advertising they gave the business and the promoting they did to educate the dealer and consumer to the use of gasoline engines. It was beneficial to trade at large, owing to the large advertising they gave the industry. They educated the farmer into the use of engines and created the demand. The increase of our business since I have been in competition with the I. H. Co. has been pronounced; cannot give exact figures, but business has more than quadrupled in last five or six years. I have found the competition of the I. H. Co. to be fair.

*Cross-Examination.*

- We make from 1 H. P. to 60 H. P. engines of intermediate sizes. The smaller, ranging in H. P. from 1 to 6. are most popular. Cannot give exact number, but will say we sold in the neighborhood of 7,000 engines of 1 to 6 H. P. in 1912. In all, we sold between 10,000 and
- 252 11,000 engines that year. In 1911, we sold in the neighborhood of 5,000 to 6,000 engines of the popular size. The largest manufacturers of small farm engines, that is, from 1 to 6 H. P., selling largest number in the United States in competition with us, are the I. H. Co., Fairbanks Company, Root & Vandervoort Company of Mo-

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line and Waterloo. There are several of similar size throughout the United States besides those named. There is the Elmo Engine Works at Hillsdale; two at Waterloo; the Associated Manufacturers and Waterloo Gas Engine Works. The I. H. Co., Fairbanks, Waterloo and ourselves, with Root & Vandervoort would be the largest. Have been told Fairbanks sell about 15,000 in a year. The I. H. Co. sell from three to four times as many as we do.

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330 F. A. STAMBAUGH:

*Implement Business of Sears, Roebuck & Co.*

I live in Chicago. Am manager of farm implement department of Sears, Roebuck & Co. We sell direct to consumer through catalogues, as a mail order house. According to reputation it is the largest institution of  
331 its kind in any country, and sells almost everything, I believe, directly to consumer.

It sells farm implements. Have been in charge of that department 5 years. We sell direct to the consumer and not through dealers; a complete line of tillage implements, such as plows, harrows, planters, cultivators, rakes, manure spreaders, gasoline engines and cream separators.

Have been with Sears, Roebuck & Co. for over 12 years. The growth of their business in farm implements has been 100 per cent. since 1908. Would say Sears, Roebuck & Co. do between three and four million dollars in farm implements, including gasoline engines and cream separators. We own a factory  
332 where we make most of our implements. We are experimenting with reference to the manufacture of mowers. When mower is perfected, if conditions are satisfactory at that time, we propose to sell them in addition to implements we now handle.

*Statement of Sears-Roebuck Output.*

The following is a correct statement of the output of Sears, Roebuck & Co. in the various lines of implements indicated:

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|               | 1907   | 1908   | 1909   | 1910   | 1911   | 1912   |
|---------------|--------|--------|--------|--------|--------|--------|
| Disc Harrows  | 780    | 757    | 1,061  | 1,519  | 2,860  | 4,159  |
| D. T. " "     | 707    | 623    | 708    | 700    | 1,020  | 1,345  |
| Peg " " Sec.  | 3,648  | 3,135  | 4,403  | 5,553  | 9,954  | 12,434 |
| Planters      | 735    | 547    | 887    | 1,623  | 3,501  | 4,708  |
| Cultivators   |        | 5,089  | 5,630  | 8,510  | 10,659 | 11,528 |
| Spreaders     |        |        | 335    | 448    | 1,553  | 1,218  |
| Hay Presses   |        |        |        | 327    | 541    | 619    |
| Feed Cutters  | 1,360  | 1,710  | 2,413  | 3,436  | 4,341  | 3,767  |
| " Grinders    | 1,380  | 1,350  | 1,893  | 2,702  | 3,322  | 3,297  |
| Corn Shellers | 1,775  | 1,523  | 2,074  | 2,565  | 2,756  | 2,397  |
| Grain Drills  |        |        | 111    | 192    | 263    | 386    |
| L. Rollers    | 207    | 161    | 209    | 175    | 398    | 341    |
| Hay Loaders   |        | Est.   | 12     | 34     | 25     | 15     |
| Gaso. Eng.    |        | 500    | 2,400  | 4,730  | 7,795  | 9,012  |
| Cream Sept.   | 41,377 | 35,807 | 32,716 | 34,792 | 29,172 | 32,686 |

333 I believe the capital stock of Sears, Roebuck & Co. is 50 millions.

*Cross-Examination.*

We have never sold any binders or corn binders. Have not sold mowers for the last 12 years. When I first went with concern we were buying mowers in small way. The manufacturer went out of business at that time; have sold none since.

We sell sulky hay rakes. They are not on this list, as it does not comprise everything sold by us. Speaking approximately, would say we sell 500 sulky rakes in the course of a season. We make them ourselves at the factory located at Bradley, Ill., known as The David Bradley Mfg. Works.

We do not sell binder twine in my department; never had any experience in it. Only sell tedders in a small way. We buy them to fill orders as we receive them—very few. We buy tedders of R. R. Howell Co. of Minneapolis.

## XIV

## 1 GEORGE A. STEPHENS:

*Moline Plow Company.*

Am president of the Moline Plow Company. Have been in the implement business since boyhood; worked through the shops into the office, paging the letter book; from that up through in the shipping, the timekeeping, billing, the cash, the ledger, purchasing agent, secretary, vice-president and president.

2 As vice-president have always been in direct touch with

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the sales and sales organization of the company. Have been about the United States a great deal in connection with implement business we carry on. My acquaintance has been quite general, through the years with implement dealers throughout the United States. Our business is conducted throughout the United States.

*Local Dealers Not Agents, But Merchants—Coercion Impossible.*

Local dealers throughout the country have prospered and become stronger and are rather more independent factors today than they were some years ago. In the beginning, the dealer was, to a very great extent the representative of the manufacturer. We dictated to him very largely as to what he should do with our goods. The development of trade conditions has been that the dealer has gradually become a merchant instead of the manufacturers' representative. The restrictive provisions in the old contracts, survived the fact and remained as dead letters even after the dealers became and were independent merchants, and some of them remain even today.

3 In my judgment, based upon my knowledge of conditions of implement dealers and their position, the effect on the business of the I. H. Co., if they should adopt the policy and attempt to enforce it, of saying to these dealers that they could not handle the harvesting machinery of the I. H. Co., unless they took the entire line and handled it exclusively, would be that we would get more of the International trade. It would be a losing proposition for the I. H. Co. They could not successfully enforce such a policy.

*Moline Plow Co.'s Purchase of Adriance-Platt—Field Open for Successful Business in Harvesting Machines.*

We have only commenced the manufacture and sale of harvesting machinery this year. In January, 1913, we bought the business of the Adriance-Platt Company of Poughkeepsie. From my own knowledge of the implement business and the conditions under which it is carried on in the United States, we felt that the field was open to successful business in the manufacture and sale of harvesting machinery in competition with the I. H. Co. and other companies that are engaged in it. We certainly felt that the field was open or we would not have bought the plant.

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- As to our experience with the plant this year, as to whether the field was open and our judgment justified, will say this plant had a very large foreign trade. After we bought it we invited the foreign manager to come over and get acquainted with us. After he looked over the factory and our line, went to the branch factories and visited them where we were making other than plow goods, he said, "With a firm of this kind I undoubtedly will want a great many more goods than I have had before. Can you arrange to give them to me?" We told him we thought we could, and his first estimate was double that of the preceding year. As to the United States, we felt that we were very late in coming into manufacturing of this line and there would not be a possibility of our doing very much with the goods this year outside of the eastern territory, which had been served by this firm. We found
- 4 that there was going to be demand for those goods not only in the east but in the wheat countries of the middle states and west. Our travelers began to sell and we found we could sell more goods than we could make, and we are in that position of embarrassment today. Found the field absolutely open to a successful business and the only obstacle we have found up to date is our inability to make as many goods as we can sell.

*Cross-Examination.**Business of the Moline Plow Co.*

- I have been president of the Moline Plow Company about seven years. John Deere & Co., across the street from us, started manufacturing binders since the I. H. Co. was organized. I think they made some binders last year; that was the first I knew of it. They are the largest manufacturers of steel plows in the world and I think the largest manufacturers of agricultural implements other than the International. Our Company did not start the manufacture of binders or mowers
- 5 until January, 1913, over ten years after the I. H. Co. was organized and not until after this suit was brought. I do not know of any other company than Deere & Co. and ourselves which, since January, 1913, has entered upon the manufacture and sale in United States of binders.
- Our principal line of implements is plows. More than



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half of our gross business in 1912 was in plows and tillage implements.

Prior to January, our principal competition was with plow companies, such as Deere & Co., Rock Island Plow Co., Emerson-Brantingham Company, and so forth. I would have to produce figures to tell how many binders we have sold in the United States. Our company sells plows to the I. H. Co. for their engines, for Germany, and we sell them horse gangs for their trade in Russia. I would have to furnish figures as to what our business with the I. H. Co. is in dollars and cents per year. Cannot state it approximately for 1912. Our business with them has not been large. It has been more experimental. We hope it will be larger for 1913.

6 We handled the reapers, binders and mowers of the I. H. Co. in California, Texas and Oklahoma. I don't know as to whether or not we sold some of the I. H. Co. harvesting implements in Texas after that company was ousted from that state. We have sold them. There are no other business relations of my company with the I. H. Co. that I know of.

Plows have not always been sold to the dealer on a direct sales basis. They are ordinarily sold to the farmer on one term payment. It may be that harvesting implements are generally sold on a commission basis and payment is by installment; we do not sell them that way. I am familiar by hearsay with the way the harvesting business has been done. There is no line of goods we manufacture and sell to the trade in respect to which we have as large a per cent. of the total production as the I. H. Co. has in binders and mowers.

It is not a fact that nearly all the dealers I speak of as being country merchants, carry the International binders and mowers; that could not be. I have made a study of the subject only to this extent: I have not studied their business but know you cannot have a confusion of your goods in one town. There may be towns where there are a dozen dealers: I think Wichita, Kansas, and perhaps Ft. Worth, Texas, I do not know that the I. H. Co. divides its lines among different dealers in a town and does not sell its line exclusively to one dealer.

7 I do not have supervision of the sales of the Moline Plow Co. and have never had supervision of them. That department is managed by Mr. Barber. I know general

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selling conditions. As to whether the I. H. Co. divides its lines among different dealers in a town: certainly they do. Everybody does. We do. We do not sell the same implement under three or four different names. I did not refer to selling the same article. I referred to this fact: that we sell plows to one dealer, wagons to another and perhaps buggies to a third. I know of no company which has different trade names for the same line and divides these trade names among the dealers of the town. I did not mean to imply by my previous answer that we have adopted that policy, selling duplicate lines. I do not know that it is the policy of the I. H. Co. to sell duplicate lines.

- 8 I do not have charge of our travelers. I know pretty well what is being done throughout the territory. I refer to our own goods.

*Re-direct Examination.*

*Field Absolutely Open to Competition in Harvesting Machines and Plows Alike.*

I do not know of any company that in the last ten years has entered upon the manufacture and sale of plows in a large way. The field is absolutely open to competition in harvesting machinery and in plows alike in this country.

*Re-cross Examination.*

F. G. Allen and C. A. Bannister are the financial agents of the Moline Plow Company. The bankers are legion from whom we borrow money to carry on our business. The principal ones are the First National of Chicago, Commercial National of New York and the Second National of Boston.

None of the officers or the officials of the I. H. Co. own stock in my company, that I know of.

## X

43 WILLIAM H. TAYLOR:

*Minnesota Moline Plow Co.*

Live at Minneapolis; am manager for the Minnesota Moline Plow Co. We handle a general line of agricultural implements, tillage tools, wagons and binders. Have

X

Minneapolis territory, which includes northwest Wisconsin, all of Minnesota, except three counties, North Dakota, all of Montana except two or three counties in the extreme southern corner. Have been manager in this territory three years. Prior to taking that position was with the Kingman Plow Co. at Peoria, Illinois, as vice-president and general manager from 1904 to April, 1910.

44 We handle the goods mostly as jobbers. Kingman Plow Co. handled Superior drills, Bain wagons, Anchor buggies and the Walter A. Wood line of harvesting machinery. The first two years we handled the Weber wagons, which were then being manufactured by the Weber Wagon Company.

While I was an officer of the Kingman Co. we had branches at Dallas, Kansas City, St. Louis, Omaha, and an operating jobbing department at Peoria. Those houses covered Texas, Oklahoma, Arkansas, Missouri, Illinois, Kansas, Iowa and Nebraska.

The Kingman Plow Company sold in competition with the I. H. Co. in that territory, Walter A. Wood harvesting machinery most of the period, and the latter part of the six years, to 1910, we sold wagons, disc harrows, and that class of goods.

*Competition With I. H. Co. Active; Fair and Businesslike.*

45 Since I came to Minneapolis as manager for the Minnesota Moline Plow Co. we have sold in competition with the I. H. Co. wagons, disc harrows and harrows, and to some extent the drill line. This year for the first time we have added the Adriance-Platt line of harvesting machinery. I have been in charge of sales both with the Kingman Company and with the Moline Company. Throughtout that entire period and territory I never found the competition with the I. H. Co. other than businesslike and fair; pretty active, and some of the others the same way. During the years named and the territory described we found the field open for doing business in the implements named, in competition with the I. H. Co. Adriance-Platt line was sold very little in this section of the country; was not known here. My experience in introducing it has been very satisfactory. It has shown me that the field is open for competition in harvesting machinery, with the I. H. Co. in the Minneapolis territory. I know a good many of the dealers in

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farm implements in this Western country pretty well, and their methods of doing business.

*Attempt to Coerce Dealers Would Result in Loss.*

- 46 If the I. H. Co., throughout this territory, should adopt and attempt to enforce a policy of saying to the dealers in farm implements, that they could not handle I. H. Co. harvesting machinery unless they handled the line of implements of the I. H. Co. exclusively, in my judgment the result would be that they would lose 60 per cent. of their trade. In the sale of implements for the Moline Co., since I have been manager, my sales have been to the retail implement dealers throughout the section. These dealers in the main handle and sell the I. H. Co. harvesting machinery. We have not found that fact an impediment to the sale of these tillage tools and wagons we sell in competition with the I. H. Co. The field is open to us and the I. H. Co. in perfectly fair competition.

*Cross-Examination.*

- 47 Moline Plow Co.'s principal line is plows. Its business has been built up very largely around that line, which became well established in the trade many years ago. Think it has been selling plows more than 40 years.. The business of the Kingman Plow Co. was not made up on basis of their plow business. Plows and jobbing goods purchased from other factories were its principal business.

*Lines Handled in Competition With I. H. Co.*

- 48 I would say the Minnesota Moline Co. has sold 175 binders. We have never sold binders until this spring. It is not by any means our principal line. I could name a dozen or more lines that are more important than the binder so far. I was not anxious to give the impression that my company was in competition actively, and had been so, with the I. H. Co. on binders. The question was asked, what we handle. We consider the binder line at the present time an important part of our business, and for the future. Our company, until the season of 1913, never attempted to sell a binder. The I. H. Co. has never, that I know of, sold plows in my territory, except possibly some they may have purchased. We have never sold any mowers, or sulky hay rakes. Have sold sweep rakes for about 10 years. Am

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unable to tell how many we sold in 1912 in our territory, quite a satisfactory trade to the people we buy rakes from, however. We buy them from Jenkins of Chillicothe. I would say 400 or 500 stackers and rakes, they go together.

While I have been with the Moline Plow Co. have been in competition with the I. H. Co. on wagons, disc harrows, harrows, and to a limited extent on drills. I believe  
49 the I. H. Co. sold no drills until 1911 and 1912. The spring of 1913 was really the first active competition on drills.

We have had no competition with I. H. Co. on harvesting machines until this year. They have no competition with us on our plow lines. I cannot tell how many Wood binders we sold a year while I was with the Kingman Plow Co. In some territories quite a portion; in others less. In Texas we had quite a trade, a good many thousand dollars. A thousand dollars would be less than ten binders. In Texas in the mowers, binders and rakes lines it would be \$60,000 to \$75,000—it might run more than that.

I am resident manager of the Minnesota Moline Plow Co. Am responsible to the head officers of that company at Moline. All of the stock of my company is owned by the parent company. I was not consulted by the officials  
50 of the parent company in connection with their plans for taking and selling the Adriance binder in my territory. I suppose they knew their business. They probably were not ready to purchase a binder plant before. The John Deere Plow Co. has entered upon the manufacture and sale of binders since the I. H. Co. was organized. I think the season of 1912 was the first that the John Deere Co. sold any binders in the United States. I cannot recall any other company at the present time.

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106 FLOYD R. TODD:

*Proportionate Growth of Business of Deere Co.*

I am a member of the executive committee and board of directors of Deere & Company. The principal lines  
107 it sells in competition with the I. H. Co. are lever harrows, disc harrows, manure spreaders, wagons, hay loaders, sweep rakes, stackers, mowers, drills and binders.

I have with me a statement of the proportionate growth of the business of Deere & Company for the past ten years,

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1902 to 1911. This table takes the year 1902 as 100 per cent., and the business of the other years in these various lines is shown relative to 1902 by per cents.:

RELATIVE PERCENT. OF CERTAIN PRODUCTS SOLD IN THE UNITED STATES AS COMPARED WITH SALES IN THE YEAR 1902, TOGETHER WITH SIMILAR COMPARISON OF MOWERS SOLD DURING AND AFTER THE YEAR 1907.

| Year | Lever Harrow | Disc Harrows | Spreaders | Wagons | Hay Loaders | Sweep Rakes | Stackers | Mowers |
|------|--------------|--------------|-----------|--------|-------------|-------------|----------|--------|
| 1902 | 100.0%       | 100.0%       | 100.0%    | 100.0% | 100.0%      | 100.0%      | 100.0%   |        |
| 1903 | 102.7        | 107.6        | 192.0     | 99.0   | 164.4       | 121.3       | 104.4    |        |
| 1904 | 98.5         | 116.6        | 221.6     | 105.9  | 214.8       | 153.0       | 132.8    |        |
| 1905 | 102.0        | 132.6        | 256.6     | 133.4  | 213.6       | 155.5       | 146.2    |        |
| 1906 | 123.8        | 173.8        | 396.3     | 156.2  | 196.6       | 120.4       | 135.9    |        |
| 1907 | 143.9        | 226.5        | 470.0     | 158.6  | 156.5       | 162.8       | 166.4    | 100.0% |
| 1908 | 111.5        | 183.1        | 325.5     | 81.4   | 256.7       | 201.1       | 214.7    | 160.1  |
| 1909 | 128.7        | 203.0        | 475.4     | 125.6  | 218.2       | 235.4       | 258.3    | 227.0  |
| 1910 | 143.9        | 242.8        | 349.5     | 164.2  | 219.3       | 248.1       | 278.3    | 334.1  |
| 1911 | 136.6        | 299.7        | 204.7     | 143.9  | 139.2       | 142.3       | 123.5    | 348.3  |

(The statement was objected to as immaterial.)

The table covers the fiscal year of our various companies. Some end their factory year on the first of 108 July, others at other times, but the dates are the commencement of the year during which the information is given. The table is correct.

So far as I have gone in the current year, the indications are that there will be increases in the output of these various lines, generally speaking, and I think probably in reference to nearly (if not quite) all the lines mentioned.

I have charge for the Deere Company of the factory that makes manure spreaders. Our output is marketed in all parts of the United States. I am in touch with the business throughout the country. In my judgment the I. H. Co.'s output represents about 40 per cent. of the aggregate output of manure spreaders in the United States.

#### *Distribution and Sale of Binders by Deere Co.*

Deere & Company began the manufacture of binders in 1911. The following statement shows the distribution and sale in U. S. of binders by the branch houses. The names of the cities in the table are the cities where we have branch houses:

BINDER DISTRIBUTION

| 109             | 1911    |        | 1912    |        | 1913                  |       |
|-----------------|---------|--------|---------|--------|-----------------------|-------|
|                 | Binders | Agents | Binders | Agents | Binders<br>(estimate) | Agts. |
| Atlanta         |         |        | 12      | 1      | 43                    | 5     |
| Baltimore       |         |        |         |        | 2                     | 1     |
| Dallas          |         |        | 64      | 7      | 172                   | 10    |
| Indianapolis    |         |        | 82      | 11     | 423                   | 45    |
| Kansas City     |         |        | 139     | 19     | 620                   | 65    |
| Minneapolis     | 10      | 4      | 202     | 15     | 1000                  | 60    |
| Moline          |         |        | 98      | 9      | 500                   | 65    |
| Omaha           |         |        | 232     | 20     | 813                   | 70    |
| Portland        |         |        | 66      | 8      | 222                   | 40    |
| St. Louis       |         |        | 34      | 9      | 105                   | 15    |
| Calgary         | 171     | 39     | 356     | 39     | 600                   | 70    |
| Syracuse        |         |        | 2       | 1      |                       |       |
| Winnipeg        | 170     | 38     | 348     | 41     | 850                   | 70    |
| Saskatoon       | 152     | 21     | 347     | 45     | 650                   | 70    |
| Total           | 503     | 102    | 1982    | 225    | 6000                  | 586   |
|                 |         |        | Binders |        | Agents                |       |
| 1911.....Canada |         |        | 493     |        | 98                    |       |
| States          |         |        | 10      |        | 5                     |       |
|                 |         |        | 503     |        | 103                   |       |
| 1912.....Canada |         |        | 1051    |        | 125                   |       |
| States          |         |        | 931     |        | 100                   |       |
|                 |         |        | 1982    |        | 225                   |       |
| 1913.....Canada |         |        | 2100    |        | 210                   |       |
| States          |         |        | 4000    |        | 376                   |       |
| (Estimate)      |         |        | 6100    |        | 586                   |       |

Deere Company Expanding.

The indications are that next year's output of binders will be considerably over that of last year, as shown on the statement. We are building a factory and our purpose is to have it thoroughly equipped, for the manufacture of binders. The aggregate volume of the sales of Deere & Company in the season of 1912 was about \$27,000,000, and if there is no crop failure the current year, we expect this amount to be considerably increased.

Cross-Examination.

Of the principal lines going to make up the \$27,000,000 U. S. gross sales, plows amounted to more in dollars and cents than any other. The I. H. Co. does not make plows in this country. I am not able to give you the figure as to how much of that \$27,000,000 consisted of plow sales.

I am a director and on the executive committee, but

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- my time is particularly spent in the management of the Marseilles Company, which makes manure spreaders, grain binders and elevators principally. These figures which I produced were prepared by the bookkeeper, not by me personally.

*Number of Certain Implements Sold by Deere by Years.*

(At request of petitioner, witness presented a statement, showing the number of implements sold by Deere & Co. of the kinds named in the percentage statement.

The statement was thereafter introduced (Vol. XIV, p. 329), and is as follows:

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| Year | Spreaders | Wagons | Hay Load-ers | Sweep Rakes | Stack-ers | Mowers |
|------|-----------|--------|--------------|-------------|-----------|--------|
| 1902 | 2,223     | 14,834 | 5,253        | 5,367       | 2,056     | .....  |
| 1903 | 4,269     | 14,692 | 8,634        | 6,509       | 2,146     | .....  |
| 1904 | 4,927     | 15,712 | 11,286       | 8,213       | 2,730     | .....  |
| 1905 | 5,704     | 19,787 | 11,223       | 8,344       | 3,005     | 37     |
| 1906 | 8,811     | 23,171 | 10,330       | 6,463       | 2,794     | 490    |
| 1907 | 10,448,   | 23,520 | 8,222        | 8,740       | 3,421     | 1,931  |
| 1908 | 7,236     | 12,075 | 13,487       | 10,794      | 4,415     | 3,092  |
| 1909 | 10,568    | 18,638 | 11,462       | 12,633      | 5,311     | 4,384  |
| 1910 | 7,769     | 24,353 | 11,518       | 13,318      | 5,722     | 6,451  |
| 1911 | 4,551     | 21,348 | 7,310        | 7,638       | 2,539     | 6,725  |
| 1912 | .....     | .....  | .....        | .....       | .....     | 9,560  |

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- 111 I understand that my company is second only in prosperity, in manufacturing and selling agricultural implements in this country, to the I. H. Co. I do not know whether or not competitors show the same per cent. of increase that the table shows for my company. In the total volume I should say yes.

- 112 We make cultivators. In disc harrows our statement shows an increase of 299 per cent. from 1902 to 1911.

If the evidence shows that the I. H. Co. output of disc harrows between 1903 and 1911 increased 1300 per cent., I know of no other company whose sales of disc harrows have grown 1300 per cent. in ten years. My statement shows an increase in spreaders of 204 per cent. in ten years.



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If Petitioner's Exhibit 262 shows an increase in the output of manure spreaders by the I. H. Co. of from 2,813 to 41,103 between 1905 and 1911, an increase of from 1,500 to 1,800 per cent., I know of no company manufacturing manure spreaders in the United States whose output in the years 1905 to 1911 has increased that per cent.

If Petitioner's Exhibit 262 shows an increase of over 200 per cent. in wagons from 1906 to 1911, 6 years, I know of no other company whose output in wagons increased 200 per cent. in those years. I confine my answer to the wood farm wagon. There may be other types of wagons in which increases have been made.

Spring-tooth and peg-tooth harrows are a different type than lever harrows. We have made spring-tooth and peg-tooth harrows only a short time. They were made by the Syracuse Chilled Plow Company. If Petitioner's Exhibit 262 shows an increase in the peg-tooth harrow  
113 output of the I. H. Co. between 1903 and 1911 of about 250 per cent., I know of no other company whose increase has been so large.

If Petitioner's Exhibit 262 shows an increase in the output of hay loaders by the I. H. Co. between 1906 and 1911 of approximately 200 per cent., whereas our statement shows a decrease of from 10 to 20 per cent., I know of no other company than the I. H. Co. whose output of hay loaders has increased more than 200 per cent. in the years named.

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## 605 CARLTON C. TROXELL:

Live at Omaha; occupation is land and farming. In  
606 1903 and until 1911 I was manager and assistant manager of the Nebraska Moline Plow Company at Omaha, whose business was selling agricultural implements. Part of this time our territory consisted of all of South Dakota, southwestern Minnesota, the three western tiers of the counties of Iowa, all of Nebraska, and what is called the Black Hills territory. Part of the time, a little later, South Dakota, southwestern Minnesota and northwestern Iowa. I was taken away from the Omaha house and placed under the management of Sioux Falls.

V

*Competition of I. H. Co. Normal and Healthy.*

During the period from 1903 to 1911 the Nebraska Moline Plow Company was selling agricultural implements throughout the territory I have named in competition with the I. H. Co. We sold farm wagons, hay stackers, hay sweeps, disc harrows, corn planters, cultivators, grain drills, alfalfa renovators, manure spreaders and lever  
 607 harrows in competition with the I. H. Co. In a large degree, our sales were to retail implement dealers, who handled I. H. Co. harvesting machinery. The competition we met with was normal and healthy. We found no oppression on the part of the I. H. Co. Our business grew during those years, in the lines in which we were in competition with the I. H. Co. As manager and assistant manager I was in close touch with the implement business throughout the territory named, and was acquainted with the dealers, many of them; and the fact is that competition was open and free in the territory named, with respect to these articles that we handled.

*Cross-Examination.*

608 I do not know anything about the per cent. of binders sold in our territory in the years I was doing business. I knew nothing about the binder business at that time. When I said the field was open, I meant by that that I  
 609 did not know of any reason why it was not open. I have no information on the binder or mower business, and do not wish my answers to apply. I know nothing about the twine business. The International does not make plows that I know of. They did not when I was in business.

611 I don't know anything about the binder business.

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462 DILLON TURNEY:

*Wagon Competition of I. H. Co. Keen, but Fair as the Rest.*

I live at Fairfield, Iowa. Am a manufacturer of farm wagons. I sell them throughout Iowa, Missouri, Kansas, Oklahoma, Nebraska, Arkansas and South Dakota. I sell them through local implement dealers in that territory,  
 463 in competition with I. H. Co. and other wagon manufacturers. The competition of the I. H. Co. is keen, just the

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same as the rest of them, but it is as fair as the rest of them.

*Cross-Examination.*

I sold about 3,000 wagons in the United States in 1912. We manufacture bob-sleds and wagon-boxes. I did not include bob-sleds in the 3,000. I only make farm wagons. In 1911 I sold about 2,200 wagons, and in 1910 about 2,500. My father commenced the business in 1856. For a great many years my company has been selling the Charter Oak wagons. The largest number my company has sold in one year was about 3,500, along in the forepart of the nineties. There has been practically no increase in our business for 10 or 15 years.

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449 JAMES B. VIETCH:

*Thomas Manufacturing Co. Competes with I. H. Co.*

Am general agent for North and South Dakota for the Thomas Manufacturing Co. Reside at Sioux Falls, S. D. We handle drills, mowers and hay tools. Have been agent there for four years and as such have had charge of the sales and business in those states and have been in active competition with the I. H. Co. in the sale of the articles mentioned. All implements I sell are sold in active competition with the I. H. Co. and the field is very much open  
450 for competition. It is normal, businesslike, strong, healthy and very fair. It is simply go out and get the business.

We sell our goods to the implement dealers, a large proportion of whom handle I. H. Co. harvesting machinery. Have not found that fact an impediment to our selling to them our implements. I know the dealers in my territory quite well. If the I. H. Co. should start out on a policy of insisting with each implement dealer in the territory that he could not handle their harvesting machinery unless he handled that and their other implements exclusively, it would be much easier for the rest of us. I would like to see them do that. A good many dealers would not abide by it and it would be easier for us to sell our goods. The business I have done in the past four years in competition with the I. H. Co. has been growing and satisfactory.

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*Cross-Examination.*

Our principal lines are drills and mowers. I think the I. H. Co. has been selling drills several years. I do not know that the entire output of drills in the United States by the I. H. Co. was 449 in 1910 and in 1911, 3,227. 449 drills in the U. S. would not be a very large factor in the drill business. Do not know how many drills we sold in the U. S. In 1910 I sold 500 drills in my own district. If the figures counsel suggests are correct I sold more in my own district than the I. H. Co. sold in the entire U. S.

452 There are several competitors in drills other than I. H. Co. It has just entered the trade in a large way in the last year. It is only by the purchase of the three well-known brands of the American Seeding Machine Co. that the I. H. Co. has become a factor of any consequence in the drill business. Until the last year or two have had really no competition in the drill business with the I. H. Co. They have been making drills only a few years.

I testified as to the character of the competition of the International on direct examination. I was speaking, so far as drills in competition with the International drills were concerned only with respect to 1912. In this territory they sold a lot of drills in 1911; could not tell how many, but in going over the country could see quite a few agents. The International was a good and strong factor  
453 in the trade in 1911 and 1912.

*Sales of Mowers in the Dakotas.*

I think we put out 300 mowers in 1912, and about 100 mowers in 1911; at that time did not have North Dakota; we sold the 100 in South Dakota. That is very small percentage of the mowers sold in that state that year. Have no idea of what total sales of my company in mowers were in 1911 or any knowledge of the sales of the I. H. Co. in mowers in 1911. I imagine they sold many times what  
454 we sold in South Dakota. I opened up the trade in mowers when I went with the Thomas Mfg. Co. It was entirely new with us. My testimony on direct relative to the character of the competition on mowers is to be limited to the last four years when I took up sale of Thomas line in this territory.

There was not much sale of Crown mowers in this

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territory in 1909. Do not think the I. H. Co. made any drills that year, or sold any in my territory. I was trying to get our mower started in the territory. I sold 40 or 50 possibly in 1909. As to whether the extent of our competition with the I. H. Co. in 1909 was nothing so far as drills are concerned, and as to mowers it was to the extent of 40 or 50, will say that we sold a very  
 455 limited amount at that time. My recollection is that in 1910 the I. H. Co. had just opened up the territory in drills; am not positive. When I think of my main competitors in drills in 1910, the I. H. Co. does not come to my mind. I cannot say as to the extent of my competition with the I. H. Co. in 1910 on drills. They were not strong in drills that year.

We sell very few hay tools in this district. Do not make binders nor sell manure spreaders. We are not in competition with the I. H. Co. except with the lines I have mentioned, and to the extent I have defined.

*Re-direct Examination.*

I started in to introduce this new mower into this territory four years ago. I began this work in competition with the I. H. Co., and in four years have developed a trade wherein I sold 400 mowers last year.

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*Re-cross Examination.*

This year I have perhaps 100 agents now carrying the Thomas mower in North and South Dakota; last year I had around 60. Cannot tell you how many dealers handle I. H. Co. mowers in North and South Dakota. I suppose they all do; can not answer intelligently as to the number. The mower that is made by the Thomas Mfg. Co. is called the Thomas-Crown.

516 STEPHEN D. WADSWORTH:

*Business of Rock Island Plow Co.*

Am manager of the Rock Island Plow Co. Reside at Sioux Falls, South Dakota. We started a house there three years ago last July. Have been in charge of the business since then. The territory in my charge is all of South Dakota except the Black Hills and a few counties southwest of the river, in Tripp and Gregory, and six

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counties in southwestern Minnesota and nine in northwestern Iowa.

My company sells agricultural implements and vehicles  
517 in that territory. As manager have been in direct charge of the sales of the company and have been in competition with the I. H. Co. and in that territory on wagons and trucks, hay tools, buck rakes and stackers, disc harrows, drag harrows, hay loaders—in fact about 70 per cent. of our line is in direct competition with the I. H. Co.; cream separators and manure spreaders included in that.

*Competition Fair; Better than Other Fellows.*

I have always found the I. H. Co. fair competitors, in fact, better than the other fellows. I sell my implements in my territory to the retail implement dealers in the towns exclusively. Should say 90 to 95 per cent. of them handle I. H. Co. line. Have not found the fact that they were handling I. H. Co. harvesting line an impediment to selling them our line of goods. I know these dealers. I get out in the territory. I know how they do business. They are merchants.

518 Q. Based on your knowledge of these men and their business, what, in your judgment, would be the effect on the I. H. Co.'s business if it went to these dealers and said, "You cannot handle our harvesting machinery unless you handle our goods exclusively"?

(Objected to.)

A. Unless the dealer was owing the International so much money that he would not dare tell them to take their goods and go, he would probably tell them to pick up and go—95 per cent. of the dealers, anyway.

*Cross-Examination.*

We do compete with the International on lines in which they are the dominant factor in the trade. We compete with them in the manure spreader business, and I believe in cream separators and disc harrows. I believe they are the dominant manufacturers in these lines in my territory, so far as sales are concerned. That is in spreaders, separators, discs, hay  
519 tools, buck rakes and stackers. In the things named the I. H. Co. does not have as large per cent. of the trade as it does in harvesting implements. There are several lines of binders, McCormick, Deering, Plano, Champion, etc.

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I believe it is the fact that in my territory the I. H. Co. distributes these different lines of binders to different dealers in a town, giving one to each dealer. Do not know whether they carry that out with respect to other lines of implements which they manufacture. They may on some of them, but as a usual thing their separator business is given to one firm, and their other lines. Where they have only one line, of course they would have to give it to one man; where they have two lines of the same goods they sell both of the dealers, I believe. I do not know of any other agricultural implement company that makes two lines of goods which follows the policy of distributing its several lines to the several dealers in a town.

*Re-direct Examination.*

520 I know that the Rumely Company and the Emerson-Brantingham have two lines of threshing machines. I understood the question to mean the goods in which I am interested in selling. They put threshing engines with two dealers.

*Re-cross Examination.*

The threshing machine business in South Dakota territory is a very large one. I have no idea in the world how many of these machines are sold in my territory as compared with discs. Not one farmer in ten has a threshing machine. Every farmer has a wagon and a spreader.

In dollars and cents the threshing machine and traction engine business in South Dakota would be bigger than any other line.

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252 H. M. WALLIS:

*Case Plow Works Finds International's Competition Fair.*

253 Reside at Racine, Wisconsin. Am President and Treasurer of J. I. Case Plow Works, with which I have been connected about 28 years. It manufactures agricultural implements of the tillage tool class, plows, cultivators, harrows and planters. Practically the entire United States and Canada is covered by sales of my company. We make tools and farm implements, which sell in competition with I. H. Co.; our principal tools are disc harrows, disc culti-

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vators, spike-tooth harrows and corn planters. I have found the competition of the I. H. Co. in these articles to be fair. We sell product of our factories through local dealers throughout the country, many of whom handle I. H. Co. harvesting lines. I do not think we find that fact an obstacle to the sale of our implements to those dealers—in the main. Our business has prospered in the lines with which we compete with the I. H. Co. I am acquainted  
 254 with dealers throughout the country in general way and know the manner in which business is done and the dealers' general character.

If the I. H. Co. adopted the policy of insisting that they should not handle I. H. Co. harvesting machinery unless they handled the whole long line of the I. H. Co., and that exclusively, I think you would get varying conditions. A man independent enough would tell you to take your line out of his house; if not independent enough, he might consider it and do something different. A strong man, if able to protect himself, would not stand for it. Dealers who might be affected by it would be weak, not the strong ones. I have found the field open for these years for sale of implements we make and sell in competition with I. H. Co.

### *Cross-Examination.*

Local dealers are of varying degrees of strength, financially, mentally and in every way. It is human nature that some stick more for their independence than others. I do not know that there is any line of agricultural implements in which such a large per cent. of control or of the production is held by one company as that held by the I. H.  
 255 Co. in harvesting implements. Of course, the I. H. Co. does not come in competition with me on harvesting lines, which we do not manufacture. We are in competition on tillage tools.

As to whether harvesting implements are the most important class of agricultural implements will say there is pretty generally distributed. The plow line is a fundamental line; you have to have the plow before you can have use for harvesting machinery. I would not say there is the same degree of control held by any one company in the plow line as in harvesting line. It is not my experience that practically every dealer handles harvesting lines. A majority of them do, but a great many do not. A great



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many more dealers handle harvesting machinery than handle threshers. Our business in disc harrows and disc cultivators has grown rapidly in the last five or six years.

J. I. Case Plow Works has no connection whatever with the J. I. Case Threshing Machine Co. None of the stockholders in the two companies are similar. The capitalization of my company is \$400,000 common and \$194,900 preferred. Its gross sales in 1912 were about \$1,500,000. The advertisement for my company in the Implement Blue Book for 1913, at page 419, is a correct statement of the lines of implements manufactured by my company, as follows:

“J. I. Case Plow Works. Established 1876. Incorporated 1884. President and Treasurer, H. M. Wallis; Second Vice-President, William Sobey; Secretary, H. M. Wallis, Jr.—Walking Plows, Sulky and Gang Plows, Engine Gang Plows, Smoothing Harrows, Disc Harrows, Corn Planters, Corn Drills, Cotton and Corn Planters, Transplanters, Fertilizer Attachments, Walking and Riding Cultivators, Stalk Cutters, Peanut Planters and Equalizers.”

We have had no competition to speak of with I. H. Co. in sale of corn planters. The only competition has been in disc cultivators and disc and spike-tooth harrows. We do not manufacture spring-tooth harrows. The I. H. Co. has entered upon the manufacture of these lines since 1902.

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445 J. D. WHITE:

*Emerson-Brantingham Co. Finds Competition Fair.*

Am sales manager of the Emerson-Brantingham Co. Have testified before and gave figures of our mower and rake sales for the year ending July, 1912. Our current sales for the year ending July 1, 1913, at present indications will be largest in history of company. Business in rakes has been better than last year. My company in addition to the mowers and rakes, manufactures and sells in the United States, cultivators, tooth harrows, disc harrows and corn planters. It has done so for 8 or 10 years, last past. It makes and sells them in competition with like implements

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made by the I. H. Co. I have been familiar, in my position, with that competition. It has been fair and business-like in my experience and observation. The present indications are that the business of the old company at Rockford for the current year compared with the business for the last ten years, will show an increase over any previous year. This is the first year of the combined business of the reorganized Emerson-Brantingham Co. My estimate of the total business for the current year of that company, in all lines which it manufactures and sells, is approximately \$10,000,000.

*Cross-Examination.**Extent of Emerson-Brantingham's Business.*

In the last year or two my company consolidated with a number of other companies. That \$10,000,000 of business comprises the entire manufacture of the consolidated companies. Broadly speaking, it is the farm machinery known as agricultural implements, and engines, threshers, gas engines, wagons, buggies and grain drills.

447 As many of the companies we have acquired by consolidation or purchase as I can recollect, are the Geiser Manufacturing Company, which manufactures engines and threshing machinery; Reeves & Company, which manufactures this machinery; the American Drill Company, the La Crosse Hay Tool Company, Minneapolis Gas Tractor Company, Rockford Engine Works, Emerson Carriage Company and Newton Wagon Company. Do not think of any others. There was some increase over the combined capitalization of the companies that were consolidated to acquire these companies.

Am sales manager for the Emerson-Brantingham Co. located at Rockford, Illinois. When these new properties were acquired the sales of the new companies that came in did not come under my charge. There was no enlargement of my duties under the new organization. The managers of the various divisions sold the new implements making up this \$10,000,000. I have charge only of the sales of the implement division and my duties are only in connection with the implement business.

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21 LEWIS T. YOUNT:

*Kansas City Manager Oliver Chilled Plow Works.*

Live in Kansas City, Mo., am local manager of the Oliver Chilled Plow Works. My territory comprises Oklahoma, Kansas and the west third of Missouri; and in a jobbing way, Omaha and Denver and the territories that they usually control. I have been manager since 1910. The Oliver company is engaged in the manufac-  
 22 ture and sale of agricultural implements, principally plows.

*I. H. Co. Competition No Different From Others.*

We come in active competition with the International in the sale of wagons and tillage tools, which include disc harrows, lever harrows and cultivators. I found the competition with the International no different than the competition of others engaged in the same business. It was normal and businesslike. I found the field open for competition as against the International in these implements that I have named. We have in the main sold our implements to dealers who handle the binders, mowers and rakes of the International and frequently ship all in the same car with the International; in other words,  
 3 the dealer makes up what we call carloads. I have not found the fact that the dealer bought harvesters, mowers and rakes from the International an impediment to selling our goods to the same dealer. I am acquainted with the dealers in my territory in a general way, and I have been in the implement business since 1885. In my judgment, if the I. H. Co. tried to coerce these dealers into handling their harvesting machinery, the dealers would tell them they could get along without them. That is true of all the strong dealers and the men who really do the business.

4 In my judgment, the field is open for competition with the International, in the territory I have named, on harvesting machinery.

*Cross-Examination.*

I was connected with the Racine Wagon & Cordage Co.,  
 5 manager of their Omaha branch. I never sold a har-

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vester except in the retail trade, when I was located at Wichita, Kansas. I have sold mowers, rakes and other goods from 1906 to 1910, when I was manager of the John Deere Plow Co. at Oklahoma City. I do not know what the social or contractual relations are between the International and my company. I know in a general way that the International sells our plows in Canada.

- 26 The principal article we sell is steel plows. I will say off-hand that 50 per cent. of our business consists of the sale of plows. Our next largest item is wagons. We do not compete with the International in plows; they do not make them. I do not know how long the International has been manufacturing wagons and harrows. I know the names of most of the companies doing a harvester business in my territory. At a guess I would say that the International did more than all the others combined.

XIII

**CAPITAL INVESTED IN AGRICULTURAL IMPLEMENT TRADE  
IN THE UNITED STATES SINCE ORGANIZATION OF INTER-  
NATIONAL HARVESTER CO.**

*Statement of Capitalization of 304 Agricultural Implement Manufacturers in the United States, Other Than I. H. Co., Showing Their Respective Increases of Capital Between 1902 and 1913.*

344 GEORGE A. RANNEY:

I have prepared a table (Deft.'s Ex. 120) with respect to the capitalization of certain companies engaged in the manufacture and sale of agricultural implements.

*Sources of Information.*

The information upon which the tabulation is based was secured from the manufacturers in response to letters from our office. We received answers with the information asked for from most of the companies. I have the original answers from them here. I wrote to 567 companies. We got the names from the Implement Blue Book, published by Midland Publishing Company of St. Louis and the Buyers' Guide, and a few names not shown in

either were obtained from the sales organization of the I. H. Co. of A.

345 Of the 304 companies concerning which the information is tabulated in this Defendants' Exhibit 120, we have replies from all except nine. I got the information concerning these nine companies from the R. G. Dun & Co. commercial agency. Defendants' Exhibit 120 was prepared under my direction by Haskins & Sells, certified public accountants. It contains a list of 304 manufacturers of agricultural implements, exclusive of the I. H. Co., and the dates of their organization. It shows the authorized issued capital stock of the companies in existence in October, 1902, the authorized capital stock of the companies organized since 1902, and the increase of capital stock, by years, of all companies from 1902 to the dates of their replies, and the authorized capital stock and the capital stock issued by all companies in the list in 1913.

The first page of Defendants' Exhibit 120 (Vol. XIV, p. 331) is a summary and the information summarized thereon is set forth in detail in sheets one to five inclusive of the exhibit. It does not include information respecting all of the manufacturers of agricultural implements. It includes only 304.

The total authorized capital stock of the companies as shown by this exhibit in 1902 was \$53,972,800. The stock issued was \$46,828,695. The total increase in the authorized capital stock of all companies, by years, from 1902 to date, as shown by that exhibit, is as follows:

|                            | Authorized.   | Issued.          |
|----------------------------|---------------|------------------|
| 1902 Capital Stock .....   | \$ 53,972,800 | \$ 46,828,695.   |
| 346 1902 Increase .....    | 6,350,000     |                  |
| 1903 " .....               | 11,585,000    |                  |
| 1904 " .....               | 13,965,000    |                  |
| 1905 " .....               | 4,675,000     |                  |
| 1906 " .....               | 4,145,000     |                  |
| 1907 " .....               | 7,630,000     |                  |
| 1908 " .....               | 7,690,000     |                  |
| 1909 " .....               | 15,804,000    |                  |
| 1910 " .....               | 6,875,000     |                  |
| 1911 " .....               | 114,656,000   |                  |
| 1912-13 " .....            | 89,729,500    |                  |
| 1913 Total Capital Stock.. | \$337,077,300 | \$228,270,066.83 |

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The total increase of capital stock of these companies from September 30, 1902 to date was \$283,104,500. Adding the amount in 1902 makes the total authorized capital stock of these companies at the present time \$337,077,300; the total amount issued in 1913 was \$228,270,066.83.

These figures I have given relate only to authorized capital stock and to issued capital stock. It does not include all investments by these companies in their respective manufacturing and sales establishments. It includes no bonds or other borrowed money and no surplus in the business. We did not ask the companies to give us the amounts of their borrowings or surplus. We asked them to give us only such information as was public property in the states in which they were incorporated.

347 A few voluntarily gave information as to surplus. That information is set forth in foot notes, but is not included in any tables. The amount of the surplus and borrowed money, so far as is shown in these exhibits is \$13,375,356.81. That represents money invested in the business.

I know personally that companies other than those shown in this exhibit have surplus accounts and borrowed money in their business. I know of the Oliver Chilled Plow Co. of South Bend, Indiana; the J. I. Case Plow Works of Racine, and I think the John Deere Co., according to their last statement has additional capital. Would say, knowing the implement business, that two out of every three have borrowed money in their business.

Of the 304 companies shown on the list, 183 were in existence in October, 1902. 107 new companies were organized from October, 1902, to the date of the closing of this statement.

Nineteen companies shown on this exhibit have been absorbed by other companies. My totals for 1913 includes two companies absorbed by other companies with a total of \$11,000 for both. They are the Advance Thresher Co., with a capital of \$10,000, and the Mandt Wagon Co., \$1,000.

348 I have shown reductions as well as increases in capital stock in this exhibit. I believe there is only one reduction in the tabulation. I am speaking of authorized capital stock. That was the Best Manufacturing Co. of San

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Leandro, California. It manufactures traction engines, combined harvesters, and freighting wagons.

IV

Statement of Capitalization. (Defts. Ex. 120.)

31-342 Statement of capitalization of 304 agricultural implement manufacturers in the U. S. (exclusive of I. H. Co.), showing capital stock in 1902, increases in capital stock for the ensuing ten years, and capital stock in 1913. Exhibit gives corporate name of each company, its location, lines manufactured, date of organization, capital stock in October, 1902, authorized and issued, increase in capital stock by years, and the capital stock in 1912-13 authorized and issued. (XIV, 331-342.)

Capital stock of the 304 manufacturers listed in the exhibit in

|                          | Authorized    | Issued           |
|--------------------------|---------------|------------------|
| 1902                     | \$53,972,800  | \$ 46,828,695    |
| 1902 Increase            | 6,350,000     |                  |
| 1903     "               | 11,585,000    |                  |
| 1904     "               | 13,965,000    |                  |
| 1905     "               | 4,675,000     |                  |
| 1906     "               | 4,145,000     |                  |
| 1907     "               | 7,630,000     |                  |
| 1908     "               | 7,690,000     |                  |
| 1909     "               | 15,804,000    |                  |
| 1910     "               | 6,875,000     |                  |
| 1911     "               | 114,656,000   |                  |
| 1912-1913     "          | 89,729,500    |                  |
| <hr/>                    |               |                  |
| 1913 total capital stock | \$337,077,300 | \$228,270,066.83 |

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*Cross-Examination.*

There are 107 new companies included in this statement since 1902. From memory will say one of them is manufacturing binders. I don't know that there is but one company that started to manufacture binders since 1902. According to my recollection, I think there is only one on this tabulation, John Deere & Co. That company is the largest other manufacturer in the United States and has been doing business for several score of years. With the exception of the John Deere Company, I do not think any other company of the 107 new ones named on direct examination has started in

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business of manufacturing binders. John Deere & Co. had manufactured other tools, or its predecessor under the same name, had manufactured other agricultural implements, particularly plows, for a great many years.

I cannot tell how many of these 107 new companies are manufacturers of mowers. John Deere & Co. manufacture mowers. They have been in business for a long time. Whatever new ventures have been made in the agricultural implement business, since 1902, have been in lines other than harvesting machinery. We do not include twine manufacturers in this tabulation. Twine is one of our principal products but this statement is for manufacturers of agricultural implements. We do not make plows. We name plow manufacturers on this list because plows are an agricultural implement, whereas twine is not, although it is sold to agricultural implement dealers and made by us who are one of the largest manufacturers of agricultural implements.

We have enumerated a large number of plow manufacturers in this list, items which we do not make, but have omitted all reference to twine, an article which we manufacture on a large scale. Could not say how many of these 107 new manufacturers have entered upon the manufacture of rakes. Can name no other than John Deere & Co. Can name none of these 107 new manufacturers that has entered upon the sale of corn binders.

I would say that a large part of the new capital referred to in this exhibit has been devoted to the manufacture of agricultural implements which the I. H. Co. was not making in 1902. That feature has not been analyzed and I cannot answer you definitely.

As to how many of the new companies since 1902 have commenced to manufacture any grain binders, rice binders, corn binders, headers, push binders, reapers, mowers, shredders, shockers, twine repairs, hay rakes, tedders, knife grinders—which were the only things the I. H. Co. made in 1902—I am not prepared to answer because I have not made a digest of this exhibit for that purpose. I cannot name any one company other than John Deere that is making any one of those things, without taking time to go through this tabulation.

This exhibit was prepared under my direction. I did not prepare it. I spent about one hour giving directions, altogether. I think this list contains the names



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of some but not many manufacturers from whom we buy a portion of our output.

The American Seeding Machine Co., listed with a capitalization of \$7,500,000, with constituent companies of \$1,500,000, sells to the I. H. Co. the entire output of the Richmond plant. Cannot answer as to whether the Aultman-Taylor Machinery Co., with a capitalization of \$1,000,000 sells us its entire output of threshers. Am not familiar with that contract. I know there is an existing contract with the Buffalo Pitts Company, which has a capitalization of \$850,000. How much of their output we buy I cannot answer.

In preparing this exhibit I have not endeavored to eliminate or keep out of the exhibit, nor to bring in, companies that have no business relations with the I. H. Co.

352 The purpose of stating this increase of capitalization from year to year is to show the development of the agricultural implement business. We did not put the I. H. Co. down on the list because that was already known. The purpose of eliminating the International was to show development outside of the I. H. Co. The companies who sell all or a large portion of their output to the I. H. Co., as I said before, were not included with any specific purpose in mind. They were among the list of agricultural implement manufacturers to whom the questions were sent.

Whether, if I was to strike off this list companies who do business on a large scale with the I. H. Co., I would strike out the American Seeding Machine Co., the Aultman-Taylor Co., the Buffalo Pitts Co. with a combined capitalization of about twelve millions of dollars, and other companies, I will say, if you did that, you would strike out only such portion of their capital as is used in the manufacture of goods for sale by the I. H. Co.

353 The statement was not prepared to represent or state the capital invested in the agricultural implement business entirely disconnected and having no relation to the I. H. Co. We included capital interested in business deals with the I. H. Co. because they are manufacturers of agricultural implements and not an integral part of the I. H. Co., and though they sell their entire output to the I. H. Co., I think it proper to include them in the list; it is not our capital they are using.

The Bryan Plow Co. of Bryan, Ohio, is on the list. I

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don't want to answer definitely whether the I. H. Co. ever sold a plow in the U. S.; would say that we have. We are not in the plow business in the U. S. My object in enumerating the plow companies is because the plow is an agricultural implement.

We have not endeavored, in this list, to state merely companies that are in competition with the I. H. Co. As to whether we have swelled it by putting in companies which make things which we never make and are not in competition with us;—would say that is not a fair statement. We have not attempted to swell this statement. The statement states that it is a statement of manufacturers of agricultural implements; it does not say in competition with the I. H. Co.

We put into this list companies that are in the same line of business the I. H. Co. is in, namely, agricultural implements. I think two companies may be in the same line of business although they manufacture different things and are not in competition.

- 354 Our company makes tanks. We do not make boilers or smoke-stacks for sale. I can't answer as to whether we have put in companies making boilers, smoke-stacks, tanks and cement kilns until you point them out. As to Freeman & Sons' Manufacturing Co. of South Racine, Wisconsin; they make seeders, horse powers, feed cutters and shellers. The list names these implements in the order in which the Company names them on its statement. We did not select the order in which they were put on the list.

We do not make windmills. The Duplex Manufacturing Company, of Superior, Wisconsin, make windmills, pumps, feed mills and wood saws. We make a few feed mills.

The Dempster Mill Manufacturing Co. makes windmills, pumps, tanks, gasoline engines, cultivators, drills, hay stackers and sweeps. We make nearly all of these.

The Davidson-Dietrich Plow Company manufactures plows. Those are agricultural implements.

- 355 These instances are not illustrative of the general plan of this exhibit. The general plan was to secure names and capitalization of companies in the agricultural implement business. Names read are not fairly illustrative of what is on those lists. I cannot answer how many companies on those lists make plows. (Witness examines sheets.) I count seventeen companies making plows and

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other implements, a little over 5 per cent. There are 304 names on the list. I do not know how many companies are listed as making binders. Think, with the exception of the Minnesota State prison, that they are all included. As to whether less than three per cent. of the 304 make binders, would say that was a correct statement. In number I would say we have more plow makers on here than binder makers. As to whether we have put on all the binder makers in the United States, cannot answer definitely. Letters were sent out to them.

I would not say definitely that less than 5 per cent. of the names on this list manufacture mowers. I would say fifteen or twenty mower manufacturers, possibly more.

We do not make grain separators, we sell them. A grain separator is the same as a thresher.

## XIV

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*Recalled—Direct Examination.*

I have prepared a table (Deft's. Ex. 196) showing lines of implements manufactured by certain companies manufacturing agricultural implements in the U. S.

I. H. Co. of America.

Deere & Co.

Moline Plow Co.

Emerson-Brantingham Co.

Rumely Products Co.

J. I. Case Threshing Machine Co.

Rock Island Plow Co.

Parlin & Orendorff.

J. I. Case Plow Co.

The table covers lines manufactured and lines sold. Some companies job certain lines. So far as we knew the catalogues used as a basis for this table were the latest issue of their catalogues, and the trade papers were all of recent issue. The table correctly sets forth the lines of implements sold by these companies as shown by their catalogues and advertisements in trade journals.

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(Defendant's Exhibit 196 (Vol. XIV, p. 343) objected to as immaterial, states the various kinds of implements made or sold by certain companies.)

The names of the companies and the number of different kinds of implements dealt in by each company as shown by said list, are as follows:

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|---------------------------------------------|-----|
| International Harvester Co. of America..... | 59  |
| Deere & Co. ....                            | 108 |
| Moline Plow Company .....                   | 57  |
| Emerson-Brantingham Company .....           | 47  |
| Rumely Products Co. ....                    | 26  |
| J. I. Case Threshing Machine Co.....        | 20  |
| Rock Island Plow Company .....              | 34  |
| Parlin & Orendorff .....                    | 28  |
| J. I. Case Plow Company.....                | 19  |

Respectfully submitted,

JOHN P. WILSON,  
WM. D. McHUGH,  
EDGAR A. BANCROFT,  
*Solicitors for Defendants.*

PHILIP S. POST,  
VICTOR A. REMY,  
*Of Counsel.*

# WITNESSES.

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